

SOI BULLETIN

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Individual Income Tax Returns, Preliminary

Data, 2009

by Michael Parisi

For Tax Year 2009, taxpayers filed 140.5 million U.S. individual income tax returns, a decrease of 1.3 percent since 2008. Similar to Tax Year 2008, adjusted gross income (AGI) and several other notable items showed a decline for Tax Year 2009. AGI decreased by 6.9 percent to \$7.6 trillion for 2009. Between Tax Years 2008 and 2009, taxable income decreased 9.3 percent to \$5.1 trillion; total income tax decreased by 15.4 percent to \$0.9 trillion; and total tax liability fell by 15 percent to \$0.9 trillion. Along with the decreases in income and other taxes, the alternative minimum tax decreased for the first time since Tax Year 2001. The alternative minimum tax decreased 9.1 percent to \$20.2 billion for 2009.

Individual Income Tax Rates and Shares, 2008

by Kyle Mudry

Taxpayers filed 142.5 million returns for Tax Year 2008. Of those, 90.7 million (or 63.6 percent) were classified as taxable returns. This represents the lowest percentage in more than 23 years. A taxable return is a return that has total income tax greater than \$0. The number of taxable returns was 5.8 percent lower than for 2007. Adjusted gross income (AGI) on these taxable returns decreased 6.1 percent to \$7,583 billion for 2008, while total income tax decreased 7.5 percent to \$1,032 billion. The average tax rate for taxable returns decreased 0.2 percentage points to 13.6 percent.

The top 1 percent of taxpayers, those with AGI of at least \$380,354, accounted for 20 percent of AGI for 2008. This represents a decrease in income share of 2.8 percentage points from the previous year, when the cutoff for this group was \$410,096. These taxpayers accounted for 38 percent of the total income tax reported, a decrease from 40.4 percent in 2007. The top 5 percent of taxpayers accounted for 34.7 percent of AGI and 58.7 percent of total income tax. To be included in the top 5 percent, a taxpayer must have reported AGI of at least \$159,619, whereas, in 2007, the cutoff for this group was \$160,041.

Individual Noncash Contributions, 2008

by Pearson Liddell and Janette Wilson

For Tax Year 2008, 23.0 million individual taxpayers who itemized deductions reported \$40.4 billion in deductions for noncash charitable contributions. Of those taxpayers, 7 million reported \$34.6 billion in deductions for charitable contributions on Form 8283, *Noncash Charitable Contributions*. The number of taxpayers filing Form 8283 increased slightly, by 1.2 percent, from 6.9 million in Tax Year 2007, while the amount of donations decreased 34.5 percent from \$52.8 billion in 2007. Between Tax Years 2007 and 2008, corporate stock donations declined 48 percent, from \$23.7 billion to \$12.3 billion. Despite the decline in corporate stock donations since Tax Year 2007, those donations accounted for the largest percentage (35.7 percent) of total noncash donations, followed by clothing donations of \$7.9 billion and household item donations of \$3.1 billion, representing 22.9 percent and 9.1 percent respectively.

Split-Interest Trusts, Filing Year 2009

by Lisa Schreiber Rosenmerkel

In 2009, some 122,535 *Split-Interest Trust Information Returns* (Form 5227) were filed for charitable remainder trusts, charitable lead trusts, and pooled income funds. In total, split-interest trust filers reported \$12.3 billion in gross income and \$114.9 billion in end-of-year assets. They reported approximately \$2.5 billion in charitable distributions and \$6.6 billion in noncharitable distributions. Split-interest trusts received more than \$4.2 billion in asset contributions throughout the year.

Tax-Exempt Bonds, 2008

by Aaron Barnes

More than 24,000 tax-exempt governmental bonds were issued in Calendar Year 2008, raising \$334.4 billion in proceeds for public projects such as schools, transportation infrastructure, and utilities. Of the \$271.7 billion of long-term governmental bonds issued, \$153.8 billion of proceeds were used to finance new projects. The remaining \$117.9 billion in proceeds refunded prior governmental bond issues.

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More than 3,400 tax-exempt private activity bonds were issued in 2008, for a total \$135 billion in proceeds. These tax-exempt private activity bond proceeds financed qualified private facilities such as residential rental facilities, single-family housing, and airports, as well as Internal Revenue Code section 501(c)(3) organizations like hospitals and private universities. Of the \$132.8 billion of long-term private activity bonds issued, \$52.5 billion in proceeds were used to finance new projects. The remaining \$80.3 billion of proceeds refunded prior tax-exempt private activity bond issues.

Unrelated Business Income Tax Returns, 2007

by *Jael Jackson*

Between Tax Years 2006 and 2007, gross unrelated business income, the total of all unrelated business income prior to deductions, reported by tax-exempt organizations increased 4 percent. The \$11.7 billion in gross unrelated business income reported for Tax Year 2007 was then offset by \$10.3 billion in deductions. The resulting net unrelated business taxable income, reported as unrelated business income (less deficit), which totaled \$1.4 billion for Tax Year 2007, was 11 percent higher than reported in the previous tax year.

Domestic Private Foundations, Tax Years 2003–2007

by *Cynthia Belmonte and Melissa Ludlum*

Tax Years 2003 through 2007 represented a period of both growth and consistency for private foundations. The number of private foundations that filed Form 990-PF increased 10.8 percent between Tax Years 2003 and 2007. By the end of the period, the aggregate fair market value of total assets held by private foundations had grown, in real terms, by 21.7 percent, while disbursements for charitable purposes made by these organizations increased, in real terms, by 40.2 percent. Private foundations provided approximately \$163.7 billion in contributions, gifts, and grants to charitable initiatives during these tax years.

While foundations disbursed a larger amount of charitable dollars for Tax Year 2007 than they did

for Tax Year 2003, the components of disbursements for charitable purposes were remarkably consistent throughout the period. Nearly 90 percent of qualifying distributions were made in the form of contributions, gifts, and grants for every year in the 5-year period. The percentage of disbursements for charitable purposes directed toward operating and administrative expenses was consistently between 7.2 and 9.1 percent throughout the period. Additionally, median payout rates were between 5.4 and 5.9 percent for all of Tax Years 2003 through 2007, although median payout rates were generally higher for small foundations than for their larger counterparts.

Controlled Foreign Corporations, 2006

by *Lee Mahony and Randy Miller*

For Tax Year 2006, 78,249 foreign corporations controlled by U.S. multinational corporations held \$11.7 trillion in assets and reported receipts of \$4.8 trillion. These controlled foreign corporations (CFCs) paid \$98.6 billion in income taxes on \$509.5 billion of earnings and profits (less deficit) before income taxes ("E&P"). Both CFC assets and receipts increased by nearly 27 percent from Tax Year 2004, while "E&P" and foreign taxes paid increased by slightly more than 40 percent.

For Tax Year 2006, 78,249 CFCs were incorporated in 187 different countries (based on unpublished data). More than 43 percent, or 34,158, of these CFCs were incorporated in Europe. Slightly more than 91 percent of these European CFCs were located in European Union countries.

More than 78 percent, or 61,147, of CFCs for Tax Year 2006 were concentrated in three major industrial sectors: (1) goods production; (2) distribution and transportation of goods; and (3) services. These three industrial sectors accounted for 82.3 percent of total receipts (\$4.0 trillion), 67.2 percent of "E&P" (\$342.3 billion), and 59.6 percent of income taxes (\$58.8 billion).

For Tax Year 2006, controlled foreign corporations were tax owners of 13,755 foreign disregarded entities (FDEs). These FDEs reported nearly \$3.6 trillion in assets and \$107.2 billion in E&P (less deficit) after income taxes.

In the Next Issue

The following articles or data releases are tentatively planned for inclusion in the spring 2011 issue of the *Statistics of Income Bulletin*, scheduled to be published in May 2011:

- High-income individual income tax returns, Tax Year 2008;
- Gift tax returns, 2008;

- International boycott reports, Tax Years 2007 and 2008;
- Foreign person's U.S.-source income subject to withholding, Tax Year 2008;
- Individual income tax returns by age of taxpayer, Tax Years 1997 and 2007; and
- Individual income tax returns, by State, Tax Year 2007.

Individual Income Tax Returns, Preliminary Data, 2009

by Michael Parisi

For Tax Year 2009, taxpayers filed 140.5 million U.S. individual income tax returns, a decrease of 1.3 percent from the 142.4 million returns filed for 2008. Similar to Tax Year 2008, adjusted gross income (AGI) and several other notable items showed a decline for Tax Year 2009. AGI decreased by 6.9 percent to \$7.6 trillion for 2009. Between Tax Years 2008 and 2009, taxable income decreased 9.3 percent to \$5.1 trillion; total income tax decreased by 15.4 percent to \$0.9 trillion; and total tax liability fell by 15.0 percent to \$0.9 trillion. Along with the decreases in income and other taxes, the alternative minimum tax decreased for the first time since Tax Year 2001. The alternative minimum tax decreased 9.1 percent to \$20.2 billion for 2009.

Figure A shows some of the key components that contributed to the decline in AGI from 2008. The largest component of AGI, salaries and wages, declined 3.7 percent from \$6,022.5 billion in 2008 to \$5,797.1 billion in 2009. Net capital gain decreased 46.1 percent from \$446.6 billion in 2008 to \$240.5 billion in 2009, and capital gain distributions (part of net capital gains) decreased 89.7 percent to \$2.3 billion. Decreases in income associated with businesses were reported for Tax Year 2009 by partnerships and S corporations (-8.7 percent), business or profession (-4.2 percent), and farms (-1.9 percent). Reductions in income from partnerships and S corporations and business or profession contributed to a 9.1-percent and a 4.0-percent decrease in net income less losses from 2008 for each group, respectively. New in 2009, a taxpayer did not have to report as income the first \$2,400 of unemployment compensation per recipient. Amounts greater than \$2,400 were still taxable. This change should be noted when comparing unemployment compensation for 2009 to previous years. For 2009, 11.4 million returns (a 19.0-percent increase from 2008) reported a total of \$84.1 billion in taxable unemployment compensation. This represents a 91.5-percent increase from 2008. Another component of AGI, ordinary dividends, decreased 25.5 percent to \$147.1 billion. Of this dividend total, 76.5 percent were reported as qualified dividends. Qualified dividends, which receive preferential tax rates, were reported on 25.4 million returns and to-

taled \$112.6 billion, a decrease of 22.3 percent from 2008. Taxable interest decreased by 24.8 percent to \$148.3 billion in 2009.

Some components of AGI showed increases, including the second largest component of AGI, taxable pension and annuities, which increased 3.1 percent from \$515.0 billion for Tax Year 2008 to \$531.1 billion for 2009. Another item related to retirement, taxable social security benefits, rose by 3.8 percent from 2008 to 2009. However, taxable Individual Retirement Arrangements (IRAs) declined by 16.9 percent from 2008 levels to \$133.0 billion.

Statutory adjustments to total income decreased 5.9 percent to \$109.0 billion for Tax Year 2009. The largest statutory adjustment was the deduction for one-half of self-employment tax, representing 20.4 percent of the total. This adjustment to income decreased 1.6 percent to \$22.2 billion. Payments to self-employed retirement (Keogh) plans fell 5.4 percent to \$17.5 billion, while payments to IRAs decreased 3.5 percent to \$11.5 billion. The deduction for tuition and fees fell 50.7 percent to \$5.4 billion. This large decrease was due, in part, to the creation of the American Opportunity credit, a new education credit that expanded the income limits for eligibility for an education credit and was partially refundable (See Changes in Law section). A taxpayer was not able to take both an education credit and tuition and fees deduction for the same student. A couple of adjustments that increased from 2008 levels were the deductions for self-employment health insurance and interest on student loans. The self-employment health insurance deduction increased 3.7 percent to \$20.0 billion. The deduction for student loan interest increased 8.2 percent to \$8.4 billion. The aggregate amount deducted for total exemptions increased by 5.0 percent, from \$983.3 billion for 2008 to \$1,032.9 billion for 2009.

Total deductions, the sum of the standard deductions and total itemized deductions (after limitation), decreased 2.1 percent from Tax Year 2008 to \$1,918.3 billion in Tax Year 2009. The number of returns claiming the standard deduction increased 0.6 percent, accounting for 65.8 percent of all returns filed and 39.2 percent of the total deductions amount. New for 2009, the amount paid for new motor vehicle taxes could be added to the standard deduction (see Changes in Law section). This change is in addition to the 2008 law that allowed a taxpayer to in-

Michael Parisi is an economist with the Individual Returns Analysis Section. This article was prepared under the direction of Jeff Hartzok, Chief.

Individual Income Tax Returns, Preliminary Data, 2009

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Figure A

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 2008 and 2009

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

Item	Number of returns			Amount		
	2008	2009	Percentage change	2008	2009	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns, total	142,350,256	140,532,115	-1.3	N/A	N/A	N/A
Form 1040 returns	83,884,991	83,829,478	-0.1	N/A	N/A	N/A
Form 1040A returns	36,540,998	39,872,098	9.1	N/A	N/A	N/A
Form 1040EZ returns	21,924,264	16,830,540	-23.2	N/A	N/A	N/A
Electronically-filed returns [1]	96,573,046	99,012,015	2.5	N/A	N/A	N/A
Adjusted gross income (less deficit)	142,350,256	140,532,115	-1.3	8,213,442,867	7,648,676,270	-6.9
Salaries and wages	120,006,001	117,253,027	-2.3	6,022,463,633	5,797,103,468	-3.7
Taxable interest	62,478,944	57,980,811	-7.2	197,166,925	148,292,561	-24.8
Tax-exempt interest [2]	6,403,595	6,245,826	-2.5	72,586,685	68,382,089	-5.8
Ordinary dividends	30,850,795	29,239,484	-5.2	197,602,724	147,144,977	-25.5
Qualified dividends	26,234,679	25,397,334	-3.2	144,840,020	112,590,344	-22.3
State income tax refunds	22,969,373	23,711,859	3.2	25,260,849	28,528,315	12.9
Alimony received	435,376	431,210	-1.0	8,254,879	8,356,158	1.2
Business or profession net income	16,385,177	16,466,708	0.5	308,133,596	295,277,183	-4.2
Business or profession net loss	5,670,884	5,602,356	-1.2	58,509,927	55,736,863	-4.7
Business or profession net income less loss	22,056,061	22,069,063	0.1	249,623,669	239,540,320	-4.0
Net capital gain [3]	11,187,343	6,578,169	-41.2	446,595,066	240,530,591	-46.1
Capital gain distributions [3]	11,538,101	4,170,541	-63.9	21,972,213	2,263,502	-89.7
Net capital loss	12,301,042	13,523,710	9.9	28,417,726	31,919,981	12.3
Sales of property other than capital assets net gain	744,331	640,855	-13.9	10,436,594	8,083,053	-22.6
Sales of property other than capital assets net loss	865,098	1,023,768	18.3	17,807,063	25,263,769	41.9
Sales of property other than capital assets net gain less loss	1,609,429	1,664,623	3.4	-7,370,469	-17,180,716	-133.1
Taxable Individual Retirement Arrangement distributions	11,316,651	9,676,851	-14.5	160,022,157	132,979,694	-16.9
Taxable pensions and annuities	25,856,207	26,342,262	1.9	515,035,286	531,132,961	3.1
Rent and royalty net income	5,978,139	5,972,666	-0.1	92,793,355	82,400,420	-11.2
Rent and royalty net loss	5,540,151	5,596,584	1.0	63,632,958	62,929,530	-1.1
Rent and royalty net income less loss	9,925,815	9,960,334	0.3	29,160,397	19,470,890	-33.2
Partnership and S corporation net income	4,517,758	4,527,501	0.2	468,560,093	427,916,480	-8.7
Partnership and S corporation net loss	2,626,223	2,747,604	4.6	135,082,672	124,855,093	-7.6
Partnership and S corporation net income less loss	7,143,981	7,275,104	1.8	333,477,421	303,061,388	-9.1
Estate and trust net income	520,680	559,126	7.4	17,056,025	18,798,329	10.2
Estate and trust net loss	40,464	43,984	8.7	2,511,370	2,029,490	-19.2
Estate and trust net income less loss	561,144	603,110	7.5	14,544,655	16,768,839	15.3
Farm net income	567,581	535,257	-5.7	13,114,524	12,869,592	-1.9
Farm net loss	1,391,073	1,395,882	0.3	25,894,327	25,591,776	-1.2
Unemployment compensation [4]	9,597,502	11,420,821	19.0	43,911,028	84,092,522	91.5
Taxable Social Security benefits	15,145,770	15,436,014	1.9	169,670,897	176,122,458	3.8
Total statutory adjustments	35,563,477	34,628,460	-2.6	115,901,028	109,015,422	-5.9
Educator expenses	3,796,150	3,893,414	2.6	957,289	983,216	2.7
Certain business expenses of reservists, performing artists, and fee-basis government officials	129,293	144,058	11.4	414,943	576,694	39.0
Payments to an Individual Retirement Arrangement	2,783,721	2,637,211	-5.3	11,905,552	11,493,415	-3.5
Student loan interest deduction	9,185,924	9,800,217	6.7	7,761,966	8,397,082	8.2
Tuition and fees deduction	4,588,503	2,425,639	-47.1	11,031,337	5,439,714	-50.7
Health savings account deduction	810,279	925,786	14.3	2,129,150	2,492,032	17.0
Moving expenses adjustment	1,112,592	859,324	-22.8	2,995,993	2,074,641	-30.8

Footnotes at end of figure.

Individual Income Tax Returns, Preliminary Data, 2009

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Figure A—Continued

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 2008 and 2009—Continued

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

Item	Number of returns			Amount		
	2008	2009	Percentage change	2008	2009	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)
Self-employment tax deduction	17,211,728	17,236,650	0.1	22,588,905	22,217,200	-1.6
Self-employed health insurance deduction	3,361,579	3,409,010	1.4	19,257,165	19,963,550	3.7
Payments to a self-employed retirement (Keogh) plan	965,847	884,799	-8.4	18,499,501	17,501,797	-5.4
Penalty on early withdrawal of savings	1,298,035	1,192,925	-8.1	371,912	1,495,136	302.0
Alimony paid	572,761	559,753	-2.3	9,313,168	9,249,622	-0.7
Domestic production activities deduction	478,111	463,430	-3.1	6,959,041	5,714,609	-17.9
Other adjustments [5]	150,914	160,749	6.5	1,585,910	1,248,821	-21.3
Total exemptions [6]	283,544,734	285,222,318	0.6	983,256,537	1,032,899,119	5.0
Total deductions	139,976,603	140,532,115	0.4	1,960,087,456	1,918,264,196	-2.1
Total standard deduction	91,975,024	92,518,891	0.6	699,190,365	752,398,173	7.6
Basic standard deduction	91,975,024	92,518,891	0.6	666,727,034	713,501,506	7.0
Additional standard deduction	12,660,440	12,852,556	1.5	20,184,197	21,451,410	6.3
Increase in standard deduction for real estate taxes, new motor vehicle taxes, or net disaster loss: [7]	16,113,620	16,535,316	2.6	12,279,139	13,396,796	9.1
Total itemized deductions (after limitation)	48,001,579	45,640,583	-4.9	1,260,897,091	1,165,866,022	-7.5
Itemized deductions in excess of limitation	6,769,863	5,743,008	-15.2	16,849,836	12,127,117	-28.0
Medical and dental expenses deduction	10,091,166	10,016,840	-0.7	74,530,672	78,489,285	5.3
Taxes paid deduction	47,683,306	45,381,987	-4.8	447,682,524	421,930,827	-5.8
State and local income taxes [8]	46,320,617	43,998,291	-5.0	272,394,387	244,564,731	-10.2
Income taxes	35,520,687	33,963,074	-4.4	254,836,486	229,290,638	-10.0
General sales taxes	10,799,930	10,035,217	-7.1	17,557,892	15,274,093	-13.0
Interest paid deduction	39,022,546	36,919,968	-5.4	481,166,292	432,757,674	-10.1
Charitable contributions deduction	39,223,228	37,305,909	-4.9	161,869,762	148,594,527	-8.2
Taxable income	108,090,446	104,354,180	-3.5	5,629,893,896	5,107,861,921	-9.3
Alternative minimum tax	3,939,114	3,877,580	-1.6	22,223,196	20,204,674	-9.1
Income tax before credits	107,317,835	103,719,284	-3.4	1,099,247,705	978,255,840	-11.0
Total tax credits [9]	55,271,787	87,931,109	59.1	73,739,010	110,207,348	49.5
Child care credit	6,659,122	6,335,953	-4.9	3,561,436	3,346,081	-6.0
Credit for the elderly or disabled	75,100	62,019	-17.4	10,209	8,023	-21.4
Child tax credit	25,287,874	23,692,091	-6.3	30,713,081	28,584,022	-6.9
Education tax credits	7,829,823	10,739,306	37.2	7,732,554	10,981,087	42.0
Retirement savings contributions credit	6,043,397	6,351,030	5.1	993,687	1,058,651	6.5
Adoption credit	89,134	81,430	-8.6	354,490	280,603	-20.8
Residential energy credits	227,620	6,869,229	2,917.8	219,805	5,943,126	2,603.8
Foreign tax credit	6,680,064	6,356,367	-4.8	15,121,256	12,938,622	-14.4
General business credit	259,884	248,672	-4.3	1,317,496	1,237,780	-6.1
Prior year minimum tax credit	397,357	298,910	-24.8	976,587	730,408	-25.2
Total Making work pay credit	N/A	101,758,158	N/A	N/A	51,099,849	N/A
Making work pay credit used to offset income tax before credits	N/A	68,995,598	N/A	N/A	34,674,354	N/A
Making work pay credit used to offset other taxes	N/A	8,852,516	N/A	N/A	3,446,159	N/A
Making work pay refundable portion	N/A	32,494,288	N/A	N/A	12,979,336	N/A
Total earned income credit (EIC)	25,007,059	27,388,200	9.5	51,596,164	60,426,876	17.1
EIC used to offset income tax before credits	3,391,970	1,494,322	-55.9	978,766	492,308	-49.7
EIC used to offset other taxes	5,550,648	5,188,174	-6.5	5,560,408	4,816,120	-13.4
Excess EIC refundable portion	22,053,777	25,345,868	14.9	45,056,991	55,118,448	22.3
Total refundable education credit	N/A	8,951,615	N/A	N/A	7,711,336	N/A
Refundable education credit used to offset income tax before credits	N/A	4,448,852	N/A	N/A	3,549,154	N/A

Footnotes at end of figure.

Individual Income Tax Returns, Preliminary Data, 2009

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Figure A—Continued

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 2008 and 2009—Continued

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

Item	Number of returns			Amount		
	2008	2009	Percentage change	2008	2009	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)
Refundable education credit used to offset other taxes	N/A	385,926	N/A	N/A	221,967	N/A
Refundable education credit refundable portion	N/A	4,924,465	N/A	N/A	3,940,214	N/A
Total first-time homebuyer credit	1,193,315	1,371,959	15.0	8,301,644	9,715,356	17.0
First-time homebuyer credit used to offset income tax before credits	912,596	1,085,512	18.9	3,797,302	4,837,874	27.4
First-time homebuyer credit used to offset other taxes	149,469	169,320	13.3	162,653	217,777	33.9
First-time homebuyer credit refundable portion	924,074	996,425	7.8	4,341,688	4,659,706	7.3
Total refundable prior year minimum tax credit	274,821	226,506	-17.6	2,392,027	2,211,594	-7.5
Refundable prior year minimum tax credit used to offset income tax before credits	N/A	186,257	N/A	N/A	865,920	N/A
Refundable prior year minimum tax credit used to offset other taxes	N/A	9,751	N/A	N/A	23,668	N/A
Refundable prior year minimum tax credit refundable portion	N/A	44,868	N/A	N/A	1,322,006	N/A
Self-employment tax	17,211,728	17,236,650	0.1	45,169,679	44,425,902	-1.6
Additional child tax credit	18,300,462	21,539,362	17.7	20,511,290	27,744,075	35.3
Total income tax	90,718,339	81,939,015	-9.7	1,025,509,017	868,049,646	-15.4
Total tax liability	94,721,187	86,138,122	-9.1	1,070,367,059	910,001,338	-15.0

N/A—Not applicable.

[1] Included in data for Forms 1040, 1040A, and 1040EZ.

[2] Not included in adjusted gross income.

[3] Includes capital gain distributions reported on Form 1040 and Schedule D.

[4] For tax year 2009, taxpayers did not have to pay taxes on unemployment compensation up to \$2,400. Amounts of unemployment compensation over \$2,400 were taxable and are the amounts shown for TY 2009.

[5] Other adjustments does not include the foreign housing deduction or the medical savings account deduction.

[6] Data shown in columns 1 and 2 are the number of exemptions claimed on returns, rather than the number of returns with exemptions.

[7] New for tax year 2009, was an increase in standard deduction for state or local sales or excise taxes (or certain other taxes or fees for states without a sales tax) on the purchase of a new motor vehicle. This increase was not available in tax year 2008.

[8] State and local income taxes is the total of both income taxes and general sales taxes.

[9] Includes making work pay credit, EIC, first-time home buyer credit, and refundable prior year minimum tax credit used to offset income tax before credits, shown separately later in this figure.

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

crease his or her standard deduction for certain State and local real estate taxes and his or her net disaster loss. Due to inflation indexing and these additions to the standard deduction, the average standard deduction (comprised of the basic, additional standard deductions for age and blindness, and increased standard deduction for motor vehicle taxes, real estate taxes, and net disaster losses) increased 7.6 percent, from \$7,602 for 2008 to \$8,132 for 2009. Itemized deductions were claimed on 32.5 percent of all returns filed for 2008 and represented 60.8 percent of the total deductions amount.¹ The average total for itemized deductions (after limitation) was \$25,545, a 2.8-percent decrease from the 2008 average of \$26,268. Due to the AGI limitation on itemized de-

ductions, 5.7 million higher-income taxpayers were unable to deduct \$12.1 billion in itemized deductions, a decrease of 28.0 percent from 2008. Overall, 45.6 million taxpayers (4.9 percent less than in 2008) claimed total itemized deductions (after limitation) of \$1,165.9 billion. This represented 7.5 percent less than what was reported in 2008. The interest paid deduction was the largest deduction, comprising 36.7 percent of total itemized deductions (before limitation). For 2009, it decreased 10.1 percent to \$432.8 billion. For 2009, an estimated 10.0 million taxpayers elected to deduct State and local general sales taxes instead of local income taxes. Including taxpayers who deducted State and local sales taxes, there was a 5.0-percent reduction in the number of

¹ The remaining 1.7 percent of returns did not need to claim either a standard deduction or itemized deduction, because no AGI was reported.

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taxpayers who took a deduction for State and local income and sales taxes and a 10.2-percent reduction in the total amount of this deduction from 2008 levels. The total taxes paid deduction accounted for 35.8 percent of all itemized deductions and decreased 5.8 percent to \$421.9 billion. The deduction for medical and dental expenses increased 5.3 percent to \$78.5 billion, while the charitable contributions deduction decreased 8.2 percent to \$148.6 billion in 2009.

Total tax credits used to offset income tax liabilities increased 49.5 percent to \$110.2 billion. Much of this increase was due to the introduction of the making work pay credit in 2009. Included in the making work pay credit was the government retiree credit. Taxpayers were able to take the making work pay credit, which equaled 6.2 percent of their earned income up to \$400 (\$800, if married filing jointly). The making work pay (and government retiree) credit was claimed by 101.8 million taxpayers. This resulted in \$51.1 billion in credits, of which \$34.7 billion was credited against income tax for these taxpayers (see Changes in Law section for further details).

Law changes affected several other credits, as well. About 23.7 million taxpayers claimed \$28.6 billion in child tax credits, down 6.9 percent from 2008. However, the additional child tax credit (a refundable credit) increased by 35.3 percent to \$27.7 billion in 2009. This increase was partially due to the credit limit increase from 15 percent of a taxpayer's earned income that exceeded \$8,500 in 2008 to 15 percent of a taxpayer's earned income that exceeded \$3,000 in 2009. In sum, total child tax credits (non-refundable and refundable) increased by 10.0 percent for 2009. Another notable change was a 42.0-percent rise in the education credits to \$11.0 billion. This large increase was mostly due to the creation of the American Opportunity credit, a modification of the Hope credit, for 2009. The maximum credit per student was increased from \$1,800 to \$2,500 (100 percent of the first \$2,000 and 25 percent of the next \$2,000 of qualified education expenses). Also, the income limitations were increased (see Changes in Law section for details). The credit was available for the first 4 years of postsecondary education, and 40% of the credit (up to \$1,000) was refundable. The total refundable education credit was taken by 9.0 million taxpayers and totaled \$7.7 billion.

Residential energy credits experienced the largest percentage increase among credits. This increase

was caused by reinstating the nonbusiness energy property credit for qualified property placed in service after 2008, which expired in Tax Year 2008. A taxpayer was able to take a credit of 30 percent of the costs paid or incurred in 2009 for any qualified energy efficient improvements and any residential energy property. The credit was capped at \$1,500. The credit was not available for nonbusiness property in 2008. For 2009, residential energy credits of \$5.9 billion were taken by 6.9 million taxpayers. For Tax Year 2009, a taxpayer could have claimed the first-time homebuyer credit if he or she bought a home after 2008 and before October 1, 2010 (if the taxpayer entered a written binding contract before May 1, 2010), and did not own a home during the prior 3 years. The first-time homebuyer credit was claimed by 1.4 million taxpayers, an increase of 15.0 percent from 2008. The credit totaled \$9.7 billion for 2009, up 17.0 percent from \$8.3 billion in 2008. Taxpayers who purchased a home after filing their 2009 returns may have filed amended returns to claim the credit. However, in this article, the data for the first-time homebuyer credit do not include data from amended returns or any adjustments made to this credit by the IRS. Credits that decreased in 2009 included the foreign tax credit (down 14.4 percent), the child care credit (down 6.0 percent), and the general business credit (down 6.1 percent).

For 2009, the earned income credit (EIC) increased by 17.1 percent to \$60.4 billion. The EIC eligibility limits on the amounts of earned income and investment income increased in 2009. New for 2009, the EIC increased for taxpayers with three or more children. The portion of the EIC used to offset income tax before credits decreased 49.7 percent to \$0.5 billion, and the portion of the EIC used to offset other taxes (such as the self-employment tax) fell 13.4 percent to \$4.8 billion. The largest part of the EIC, the refundable portion, was paid directly to taxpayers who had no tax liability against which to apply the credit. The refundable portion of the EIC increased 22.3 percent to \$55.1 billion for 2009. Taxpayers received a total of \$105.8 billion of refundable credits for 2009, almost equal to the \$110.2 billion in total tax credits used against income tax.

In this article, the comparisons of data for Tax Years 2008 and 2009 are based on preliminary estimates. Even though final estimates for Tax Year 2008 are available, comparing preliminary estimates for Tax Year 2009 to final estimates may yield mis-

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leading results, because preliminary estimates tend to be underestimated. Comparisons based entirely on preliminary estimates reduce the likelihood of misinterpretation of the data and afford a more accurate representation of year-to-year changes. Final statistics for Tax Year 2008 are available in the fall 2010 issue of the *SOI Bulletin* and *Statistics of Income—2008, Individual Income Tax Return*.

Changes in Law

In general, the definitions used in this article are the same as those in *Statistics of Income—2008, Individual Income Tax Returns*. The following is a partial list of tax law and Internal Revenue Service administrative changes that had a major bearing on the Tax Year 2009 preliminary data presented in this article.

Additional child tax credits—In Tax Year 2008, the credit limit based on earned income was 15 percent of a taxpayer's earned income that exceeded \$8,500. For 2009, the limit was 15 percent of a taxpayer's earned income that exceeded \$3,000.

Alternative minimum tax (AMT)—For Tax Year 2009, the minimum exemption increased from \$69,950 to \$70,950 for a married couple filing a joint return, and from \$46,200 to \$46,700 for singles and heads of household, and from \$34,975 to \$35,475 for a married person filing separately.

American Opportunity credit—This was a new education credit (a modification of the Hope credit) available for 2009. The maximum credit per student was \$2,500 (100 percent of the first \$2,000 and 25 percent of the next \$2,000 of qualified education expenses). The credit was available for the first 4 years of postsecondary education and 40 percent of the credit (up to \$1,000) was refundable. The amount of the credit was phased out if the taxpayer's modified AGI was between \$80,000 and \$90,000 (\$160,000 and \$180,000, if married filing jointly). The credit could not be taken if the taxpayer's modified AGI was \$90,000 or more (\$180,000, if married filing jointly). Previously, for 2008, the maximum Hope credit per student was \$1,800, and the maximum Lifetime Learning Credit was \$2,000 (except if the student attended an institution located in a Midwestern disaster area). For both of these credits, the amount of the credit was phased out if the taxpayer's modified AGI was between \$48,000 and \$58,000 (\$96,000 and \$116,000, if married filing jointly). The credit could not be taken if the taxpayer's modified

AGI was \$58,000 or more (\$116,000, if married filing jointly).

Earned income credit—The maximum amount of the earned income credit increased, as did the amounts of earned income and investment income an individual could have and still claim the credit. For 2009, the EIC increased for taxpayers with three or more children. Previously, the highest credit was limited to taxpayers with two or more children. The maximum credit for taxpayers with three or more qualifying children was \$5,657. For these taxpayers, earned income and AGI had to be less than \$43,279 (\$48,279, if married filing jointly) to be eligible for the EIC. The maximum credit for taxpayers with no qualifying children increased to \$457 from \$438. For these taxpayers, earned income and AGI had to be less than \$13,440 (\$18,440, if married filing jointly) to be eligible for the EIC. For taxpayers with one qualifying child, the maximum credit increased from \$2,917 to \$3,043 and, for taxpayers with two qualifying children, the maximum credit increased from \$4,824 to \$5,028. To be eligible for the credit, a taxpayer's earned income and AGI had to be less than \$35,463 (\$40,463 for married filing jointly) for one qualifying child, or less than \$40,295 (\$45,295 for married filing jointly) for two qualifying children. The maximum amount of investment income (interest, dividends, and capital gain income) a taxpayer could have and still claim the credit increased from \$2,950 to \$3,100.

Exemption amount—For Tax Year 2009, the exemption amount increased by \$150 to \$3,650. Taxpayers could have lost a portion of exemption benefits if their AGI was above certain amounts (\$125,100 for married persons filing separately, \$166,800 for single individuals, \$208,500 for heads of household, and \$250,200 for married persons filing jointly or qualifying widow(er)s). For 2008 and 2009, a taxpayer could lose no more than one-third of the dollar amount of each exemption, meaning that the amount of each exemption could not be reduced to less than \$2,433. For 2006 and 2007, a taxpayer could lose no more than two-thirds of the dollar amount of each exemption. For 2005 and previous years, exemption amounts could be limited to zero.

First-time homebuyer credit—For Tax Year 2009, a taxpayer may have claimed this credit (up to \$8,000, or \$4,000, if married filing separately) if he or she bought a home after 2008, and before October

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1, 2010 (if the taxpayer entered a written binding contract before May 1, 2010), and did not own a main home during the prior 3 years. Taxpayers were only allowed to claim this credit in Tax Year 2009 if their modified AGI was below \$95,000 (\$170,000, if married filing jointly), and they purchased the home before November 7, 2009. If the home was purchased after November 6, 2009, this income limit was increased to \$145,000 (\$245,000, if married filing jointly). For homes purchased in 2009 or 2010, taxpayers had to repay the credit only if the home ceases to be their main home within a 36-month period beginning on the purchase date.

Government retiree credit—Taxpayers were eligible for this new credit if they received a pension or annuity payment in 2009 for service performed for the Federal, State, or local government and the service was not covered by social security. The credit was \$250 (\$500, if married filing jointly, and both the taxpayer and spouse received qualifying pensions or annuities). A taxpayer could not take the credit if he or she already received a \$250 economic recovery payment (or, in the case of joint returns, where both received \$250 payments) in 2009. The credit reduced the making work pay credit. The credit was taken on an estimated 806,000 returns totaling \$226.1 million.

Indexing—The following items increased due to indexing for inflation: personal exemption amounts, basic standard deduction amounts, tax bracket boundaries, beginning income amounts for limiting certain itemized deductions, and for the reduction of personal exemption deductions. The maximum amount of earnings subject to self-employment tax increased based on the percentage change in average covered earnings.

Individual Retirement Arrangement deduction—The phase-out range for IRA deductions for those covered by a retirement plan began at AGI of \$89,000, if married filing jointly or a qualifying window(er), up from \$85,000 in 2008. The phaseout was \$55,000 for a single person or head of household, up from \$53,000 in 2008 and at \$0 for a married person filing a separate return. A taxpayer may have been able to deduct an additional \$3,000 if he or she were a participant in a 401(k) plan and his or her employer was in bankruptcy in an earlier year.

Limit on itemized deductions increased—Taxpayers who had AGI above \$166,800 (\$83,400, if

married filing separately) could have lost part of their deduction for itemized deductions. This was an increase from 2008 amounts of \$159,950 (\$79,975, if married filing separately). For Tax Years 2008 and 2009, the amount by which the deduction was reduced was one-third of the amount of the reduction that would have otherwise applied (for 2005 and previous years). For Tax Years 2006 and 2007, the amount by which the deduction was reduced was only two-thirds of the amount of the reduction that would have otherwise applied.

Making work pay credit—Taxpayers were able to take a credit equal to 6.2 percent of their earned income up to \$400 (\$800, if married filing jointly) if his or her had earned income from work and were not a dependent on another tax return. A taxpayer could not take the credit if his or her modified AGI was greater than or equal to \$95,000 (\$190,000, if married filing jointly). The credit phased out between \$75,000 and \$95,000 (\$150,000 and \$190,000, if married filing jointly). The credit was reduced if the taxpayer received a \$250 economic recovery payment in 2009 or took the government retiree credit.

Motor vehicles tax deduction—New for 2009, a taxpayer could have deducted any State or local sales or excise taxes on the purchase of a new motor vehicle. In States without a sales tax, the taxpayer may have been able to deduct other taxes or fees. The motor vehicle must have been purchased after February 16, 2009, and the amount the taxpayer could include for State or local sales and excise taxes was limited to the taxes imposed on the first \$49,500 of the purchase price. Taxpayers were allowed to take this deduction if their AGI was less than \$135,000 (\$260,000, if married filing jointly). The deduction of the taxes was taken on Schedule A, if the taxpayer itemized. If the taxpayer did not itemize, the taxes increased the taxpayer's standard deduction using Schedule L, *Standard Deduction for Certain Fliers*. The deduction was taken on an estimated 3.7 million returns for a total of \$5.5 billion.

Residential energy credits—For 2009, the non-business energy property credit was reinstated for qualified property placed in service after 2008. A taxpayer was able to take a credit of 30 percent of the costs paid or incurred in 2009 for qualified energy efficient improvements and residential energy property. The credit was limited to a total of \$1,500. The credit was not available for nonbusiness prop-

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erty in 2008. There was also a credit for residential energy efficient property credit in 2009. For 2009, the annual maximum credit limits were eliminated for qualified solar, small wind energy, and geothermal heat pump property costs. A taxpayer could have taken a credit of 30 percent of their costs of qualified solar-electric property, solar water-heating property, small wind-energy property, and geothermal heat-pump property.

Standard deduction amount increased—The standard deduction for people who did not itemize deductions on Schedule A of Form 1040 was, in most cases, higher for 2009 than it was in 2008. The amount depended on filing status, being 65 or older or blind, and whether an exemption could be claimed for a taxpayer by another person. For 2009, the standard deduction increased to \$11,400 for joint filers, up from \$10,900 in 2008. For single filers and married filing separate filers, the deduction amount increased to \$5,700. For heads of households, the deduction was \$8,350. In addition, the additional standard deduction for being 65 or older or blind was increased by \$50 to \$1,100 per taxpayer.

Unemployment compensation—For 2009, a taxpayer did not have to pay taxes on the first \$2,400 of unemployment compensation received per recipient. Amounts greater than \$2,400 were still taxable.

Data Sources and Limitations

The preliminary statistics in this data release are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ including electronically filed returns) filed during Calendar Year 2010. Returns in the sample were stratified based on:

(1) the larger of positive income or negative income; (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the usefulness of returns for Treasury Department tax-modeling purposes.² Returns were then selected at rates ranging from 0.1 percent to 100 percent. The preliminary Tax Year 2009 data are based on a sample of 230,520 returns and an estimated final population of 140,599,263 returns. The corresponding sample and population for the preliminary 2008 data were 256,033 and 142,466,099 returns, respectively.

Since the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known; coefficients of variation (CVs) are used to measure that magnitude. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in SOI Sampling Methodology and Data Limitations later in this issue of the *Bulletin*.

While the preliminary estimates are intended to represent a full year of taxpayer reporting, they are actually based on returns processed for tax administration purposes, in the case of 2009 returns, between January and late September of 2010. In general, returns processed during the remainder of each year tend to have somewhat different characteristics compared to returns processed earlier. These characteristics include, for example, disproportionately large amounts of investment income, passive losses, and alternative minimum tax.

² Returns in the sample were stratified based on the presence or absence of one or more of the following forms or schedules: Form 2555, *Foreign Earned Income*; Form 1116, *Foreign Tax Credit (Individual, Fiduciary, or Nonresident Alien Individual)*; Schedule C, *Profit or Loss from Business (Sole Proprietorship)*; and Schedule F, *Profit or Loss from Farming*.

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Table 1. Individual Income Tax Returns, Tax Year 2009 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income

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

Item	All returns	Size of adjusted gross income						
		Under \$15,000 [1]	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$250,000	\$250,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of returns, total	140,532,115	37,430,398	30,159,234	25,183,542	30,268,566	13,550,244	1,442,109	2,498,021
Form 1040 returns	83,829,478	15,373,113	12,176,454	14,625,434	24,478,653	13,235,693	1,442,109	2,498,021
Form 1040A returns	39,872,098	12,393,000	13,961,185	8,238,770	4,978,197	300,948	0	0
Form 1040EZ returns	16,830,540	9,664,287	4,021,597	2,319,337	811,715	13,603	0	0
Electronically-filed returns [2]	99,012,015	25,110,843	22,042,531	18,273,495	21,493,858	9,548,129	965,701	1,577,458
Adjusted gross income (less deficit)	7,648,676,270	106,375,907	663,562,563	983,479,617	2,147,895,336	1,805,900,040	320,046,293	1,621,416,514
Salaries and wages:								
Number of returns	117,253,027	26,589,251	25,332,735	22,307,960	26,987,550	12,471,037	1,329,616	2,234,877
Amount	5,797,103,468	222,268,243	521,828,610	801,778,149	1,696,010,204	1,431,826,766	240,297,318	883,094,177
Taxable interest:								
Number of returns	57,980,811	9,268,249	7,575,955	9,351,252	17,578,030	10,582,642	1,276,193	2,348,490
Amount	148,292,561	15,793,973	11,741,558	15,146,271	31,325,780	26,770,246	5,955,965	41,558,769
Tax-exempt interest: [3]								
Number of returns	6,245,826	701,150	536,641	755,341	1,602,249	1,435,368	296,395	918,681
Amount	68,382,089	3,951,465	3,090,349	4,434,377	12,489,564	12,559,564	3,359,730	28,497,041
Ordinary dividends:								
Number of returns	29,239,484	4,614,818	3,259,482	3,868,918	8,394,319	6,233,881	932,279	1,935,788
Amount	147,144,977	8,688,868	7,003,334	9,218,677	24,007,484	26,071,666	6,948,428	65,206,522
Qualified dividends:								
Number of returns	25,397,334	3,910,569	2,734,289	3,318,390	7,220,926	5,544,347	862,566	1,806,249
Amount	112,590,344	5,288,669	4,181,748	5,866,597	16,828,379	19,572,986	5,506,785	55,345,180
State income tax refunds:								
Number of returns	23,711,859	678,055	1,513,765	3,679,405	9,855,268	6,534,328	607,199	843,841
Amount	28,528,315	918,854	911,229	2,503,631	8,641,143	8,239,733	1,223,671	6,090,054
Alimony received:								
Number of returns	431,210	63,165	96,168	118,463	113,060	33,348	1,816	5,192
Amount	8,356,158	466,810	1,024,754	1,718,605	2,719,280	1,596,904	129,682	700,123
Business or profession net income:								
Number of returns	16,466,708	5,608,854	2,808,850	2,200,299	3,287,095	1,833,357	245,911	482,340
Amount	295,277,183	41,774,365	34,503,512	28,234,076	53,316,836	56,101,590	17,028,700	64,318,104
Business or profession net loss:								
Number of returns	5,602,356	1,082,312	901,939	974,842	1,558,228	833,718	93,103	158,215
Amount	55,736,863	21,260,274	7,005,049	6,688,558	9,903,863	6,044,998	964,986	3,869,136
Net capital gain: [4]								
Number of returns	6,578,169	838,456	667,675	791,801	1,924,800	1,524,541	248,452	582,445
Amount	240,530,591	9,748,563	2,373,894	3,352,523	13,673,109	22,725,498	6,730,165	181,926,838
Capital gain distributions: [4]								
Number of returns	4,170,541	580,245	361,169	485,083	1,085,013	925,374	174,825	558,836
Amount	2,263,502	218,490	110,478	136,653	358,425	379,282	91,491	968,687
Net capital loss:								
Number of returns	13,523,710	2,581,224	1,362,538	1,700,992	3,406,889	2,817,217	511,526	1,143,321
Amount	31,919,981	6,119,759	3,135,861	3,836,818	7,801,908	6,694,291	1,273,889	3,057,456
Sales of property other than capital assets, net gain:								
Number of returns	640,855	117,046	64,714	91,333	150,606	108,476	23,511	85,171
Amount	8,083,053	1,312,994	452,766	539,511	1,175,512	1,276,589	300,737	3,024,939
Sales of property other than capital assets, net loss:								
Number of returns	1,023,768	228,504	85,707	109,067	207,629	188,077	34,292	170,492
Amount	25,263,769	16,586,170	809,094	1,315,498	1,725,973	1,965,849	249,233	2,611,951

Footnotes at end of table.

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Table 1. Individual Income Tax Returns, Tax Year 2009 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued

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

Item	All returns	Size of adjusted gross income						
		Under \$15,000 [1]	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$250,000	\$250,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Taxable Individual Retirement Arrangement distributions:								
Number of returns	9,676,851	1,598,951	1,718,916	1,735,393	2,988,476	1,329,155	122,811	183,150
Amount	132,979,694	8,430,648	12,244,498	16,900,435	43,048,652	35,048,209	5,299,048	12,008,206
Taxable pensions and annuities:								
Number of returns	26,342,262	4,256,372	4,920,627	4,855,950	7,825,188	3,664,395	343,626	476,107
Amount	531,132,961	27,695,235	58,297,448	82,195,029	192,414,492	129,930,113	15,686,645	24,913,999
Rent and royalty net income:								
Number of returns	5,972,666	896,217	807,837	882,594	1,620,443	1,144,522	172,351	448,704
Amount	82,400,420	7,107,007	4,947,162	6,170,333	14,475,239	17,293,482	3,994,000	28,413,198
Rent and royalty net loss:								
Number of returns	5,596,584	851,362	674,147	879,506	1,826,969	1,022,634	93,554	248,413
Amount	62,929,530	14,555,296	5,774,217	8,147,782	17,181,780	10,152,410	1,255,499	5,862,547
Partnership and S corporation net income:								
Number of returns	4,527,501	378,384	358,098	459,423	1,102,218	1,114,905	262,555	851,921
Amount	427,916,480	4,882,055	3,888,289	6,658,509	23,018,174	45,215,931	19,529,296	324,724,224
Partnership and S corporation net loss:								
Number of returns	2,747,604	596,175	265,965	315,256	694,711	550,234	85,421	239,841
Amount	124,855,093	82,577,454	3,188,987	4,336,624	8,193,041	7,366,177	1,949,659	17,243,149
Estate and trust net income:								
Number of returns	559,126	55,527	44,526	75,612	158,883	143,650	20,803	60,126
Amount	18,798,329	275,541	223,241	601,899	1,839,038	2,972,736	643,560	12,242,313
Estate and trust net loss:								
Number of returns	43,984	7,918	5,642	5,840	11,918	6,327	1,568	4,772
Amount	2,029,490	1,067,557	9,926	38,397	62,487	91,602	8,061	751,461
Farm net income:								
Number of returns	535,257	115,109	72,445	85,004	158,601	74,969	8,957	20,173
Amount	12,869,592	997,054	962,016	1,300,339	3,479,287	3,237,659	637,279	2,255,954
Farm net loss:								
Number of returns	1,395,882	306,153	185,016	232,505	404,592	199,622	21,107	46,890
Amount	25,591,776	9,228,214	2,315,056	2,792,561	5,393,444	3,197,922	440,296	2,224,288
Unemployment compensation in excess of \$2,400 per recipient:								
Number of returns	11,420,821	2,566,519	3,317,607	2,133,600	2,427,230	842,768	61,749	71,350
Amount	84,092,522	13,704,676	26,774,693	16,777,517	18,702,224	7,025,336	485,739	622,340
Taxable Social Security benefits:								
Number of returns	15,436,014	127,083	3,073,748	3,916,897	5,656,448	2,097,360	206,209	358,265
Amount	176,122,458	491,056	6,628,058	27,642,594	86,628,263	41,815,884	4,551,065	8,365,539
Total statutory adjustments:								
Number of returns	34,628,460	7,317,835	5,253,735	5,812,622	9,492,347	5,134,715	496,337	1,120,869
Amount	109,015,422	10,154,167	8,793,638	12,553,039	23,347,135	22,592,650	5,528,053	26,046,738
Educator expenses:								
Number of returns	3,893,414	123,961	241,809	676,996	1,637,188	1,089,078	63,883	60,500
Amount	983,216	26,279	56,237	160,017	410,263	298,422	16,501	15,494
Certain business expenses of reservists, performing artists, and fee-basis government officials:								
Number of returns	144,058	21,733	17,497	18,925	47,606	33,586	1,548	3,160
Amount	576,694	124,151	69,822	136,751	113,514	114,937	8,980	8,539

Footnotes at end of table.

Individual Income Tax Returns, Preliminary Data, 2009

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Table 1. Individual Income Tax Returns, Tax Year 2009 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued

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

Item	All returns	Size of adjusted gross income						
		Under \$15,000 [1]	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$250,000	\$250,000 or more
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Payments to an Individual Retirement Arrangement:								
Number of returns	2,637,211	116,362	307,085	593,637	987,400	523,834	38,101	70,792
Amount	11,493,415	379,410	994,612	2,152,630	4,230,746	2,749,023	321,577	665,419
Student loan interest deduction:								
Number of returns	9,800,217	909,294	1,623,689	2,343,675	3,567,324	1,356,237	0	0
Amount	8,397,082	665,916	1,316,062	2,002,910	3,204,968	1,207,227	0	0
Tuition and fees deduction:								
Number of returns	2,425,639	680,389	257,461	272,089	586,577	629,122	0	0
Amount	5,439,714	1,941,613	546,473	576,015	1,164,274	1,211,338	0	0
Health savings account deduction:								
Number of returns	925,786	44,731	83,777	150,162	291,810	209,206	36,144	109,953
Amount	2,492,032	122,934	142,800	275,402	685,269	601,890	148,496	515,239
Moving expenses adjustment:								
Number of returns	859,324	87,183	177,327	183,612	237,880	134,148	14,332	24,844
Amount	2,074,641	177,874	268,395	332,507	600,996	480,108	71,606	143,154
Self-employment tax deduction:								
Number of returns	17,236,650	5,503,697	2,836,835	2,252,324	3,533,490	2,038,506	315,977	755,824
Amount	22,217,200	3,096,731	2,655,679	2,393,075	4,692,903	4,369,520	1,076,728	3,932,565
Self-employed health insurance deduction:								
Number of returns	3,409,010	592,610	479,281	490,181	776,837	576,242	119,102	374,758
Amount	19,963,550	2,425,551	2,000,328	2,189,539	4,163,563	4,206,331	1,030,922	3,947,318
Payments to a self-employed retirement (Keogh) plan:								
Number of returns	884,799	21,352	27,864	49,479	154,646	291,003	85,127	255,326
Amount	17,501,797	136,343	163,987	351,223	1,608,555	4,351,248	2,011,741	8,878,700
Penalty on early withdrawal of savings:								
Number of returns	1,192,925	237,036	181,649	181,567	343,168	193,102	19,623	36,775
Amount	1,495,136	59,339	25,394	1,246,396	91,661	42,642	10,530	19,175
Alimony paid:								
Number of returns	559,753	44,432	40,097	69,956	189,131	134,274	24,683	57,182
Amount	9,249,622	664,750	354,591	527,470	1,889,130	2,157,824	604,412	3,051,444
Domestic production activities deduction:								
Number of returns	463,430	27,181	30,251	41,475	101,523	110,384	30,339	122,278
Amount	5,714,609	177,574	49,058	72,331	246,410	485,401	140,130	4,543,704
Other adjustments [5]:								
Number of returns	160,749	17,850	26,873	29,579	54,648	22,650	4,655	4,494
Amount	1,248,821	117,713	127,122	125,756	222,592	310,345	84,847	260,446
Total exemptions:								
Number of exemptions	285,222,318	50,893,986	58,993,684	51,710,688	73,518,900	38,434,682	4,181,745	7,488,632
Amount	1,032,899,119	185,280,202	214,872,675	188,493,758	268,119,580	140,111,252	15,130,760	20,890,894
Total deductions:								
Number of returns	140,532,115	37,430,398	30,159,234	25,183,542	30,268,566	13,550,244	1,442,109	2,498,021
Amount	1,918,264,196	252,512,330	271,010,364	277,346,356	486,434,166	356,722,036	57,619,630	216,619,310
Total standard deduction:								
Number of returns	92,518,891	33,121,596	26,186,211	17,575,489	13,375,220	2,093,997	79,649	86,727
Amount	752,398,173	221,107,899	209,065,958	152,580,380	142,660,782	25,058,739	948,107	976,310
Basic standard deduction:								
Number of returns	92,518,891	33,121,596	26,186,211	17,575,489	13,375,220	2,093,997	79,649	86,727
Amount	713,501,506	212,286,952	200,508,294	144,830,960	131,527,593	22,617,896	843,751	886,055

Footnotes at end of table.

Individual Income Tax Returns, Preliminary Data, 2009

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Table 1. Individual Income Tax Returns, Tax Year 2009 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued

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

Item	All returns	Size of adjusted gross income						
		Under \$15,000 [1]	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$250,000	\$250,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Additional standard deduction:								
Number of returns	12,852,556	4,420,228	3,246,123	2,173,355	2,456,818	512,357	21,353	22,321
Amount	21,451,410	7,046,128	5,474,486	3,681,277	4,236,799	933,538	39,329	39,853
Increase in standard deduction for real estate taxes, new motor vehicle taxes, or net disaster loss: [6]								
Number of returns	16,535,316	2,356,197	3,128,174	3,813,705	5,791,068	1,345,268	56,892	44,012
Amount	13,396,796	1,527,730	2,219,505	2,950,207	5,244,786	1,350,641	63,745	40,179
Total itemized deductions (after limitation):								
Number of returns	45,640,583	1,942,922	3,968,885	7,606,015	16,893,346	11,455,714	1,362,453	2,411,245
Amount	1,165,866,022	31,404,436	61,944,408	124,765,975	343,773,384	331,663,297	56,671,523	215,643,001
Itemized deductions in excess of limitation:								
Number of returns	5,743,008	0	0	0	65,369	1,904,070	1,362,427	2,411,143
Amount	12,127,117	0	0	0	5,986	319,406	767,317	11,034,408
Medical and dental expenses deduction:								
Number of returns	10,016,840	1,348,733	1,933,252	2,385,785	3,318,022	947,851	45,233	37,966
Amount	78,489,285	11,347,626	15,047,015	16,766,127	24,117,602	8,785,534	976,996	1,448,382
Taxes paid deduction:								
Number of returns	45,381,987	1,863,103	3,903,373	7,546,763	16,855,229	11,444,440	1,361,302	2,407,779
Amount	421,930,827	6,217,060	12,428,779	29,754,347	105,300,518	126,677,146	25,216,914	116,336,063
State and local income taxes: [7]								
Number of returns	43,998,291	1,647,815	3,671,331	7,238,131	16,449,318	11,255,300	1,348,508	2,387,886
Amount	244,564,731	1,321,189	3,529,102	11,896,699	51,405,886	70,925,291	15,674,421	89,812,142
Income taxes:								
Number of returns	33,963,074	611,731	2,104,919	5,253,895	13,270,096	9,547,501	1,155,539	2,019,395
Amount	229,290,638	780,275	2,396,972	9,799,951	46,609,517	66,858,166	14,963,379	87,882,376
General sales taxes:								
Number of returns	10,035,217	1,036,086	1,566,414	1,984,236	3,179,222	1,707,799	192,968	368,492
Amount	15,274,093	540,914	1,132,131	2,096,745	4,796,368	4,067,125	711,042	1,929,766
Interest paid deduction:								
Number of returns	36,919,968	1,137,320	2,645,247	5,698,997	14,207,941	10,075,464	1,164,651	1,990,347
Amount	432,757,674	10,052,648	22,308,845	49,573,982	143,972,579	135,576,276	20,465,188	50,808,158
Charitable contributions deduction:								
Number of returns	37,305,909	1,158,154	2,722,363	5,587,355	13,940,966	10,346,002	1,274,989	2,276,081
Amount	148,594,527	1,732,503	5,576,537	12,707,263	38,687,774	40,226,649	7,582,958	42,080,841
Taxable income:								
Number of returns	104,354,180	9,019,159	23,301,426	24,473,872	30,097,636	13,529,292	1,439,907	2,492,885
Amount	5,107,861,921	24,701,458	216,219,620	524,424,922	1,396,558,786	1,312,912,967	247,575,040	1,385,469,128
Alternative minimum tax:								
Number of returns	3,877,580	9,719	14,029	8,604	169,780	914,316	867,714	1,893,422
Amount	20,204,674	72,669	13,000	21,989	205,062	1,819,493	2,402,715	15,669,742
Income tax before credits:								
Number of returns	103,719,284	8,757,960	23,116,281	24,371,372	30,028,731	13,511,273	1,439,242	2,494,425
Amount	978,255,840	2,521,737	24,269,840	65,738,427	202,167,813	233,666,732	54,852,010	395,039,280
Total tax credits: [8]								
Number of returns	87,931,109	4,988,813	20,087,704	22,127,715	27,410,407	11,272,192	658,552	1,385,726
Amount	110,207,348	1,229,887	10,353,847	20,394,951	43,362,989	20,259,146	1,029,403	13,577,124

Footnotes at end of table.

Individual Income Tax Returns, Preliminary Data, 2009

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Table 1. Individual Income Tax Returns, Tax Year 2009 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued

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

Item	All returns	Size of adjusted gross income						
		Under \$15,000 [1]	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$250,000	\$250,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Child care credit:								
Number of returns	6,335,953	15,314	966,129	1,315,809	2,280,350	1,436,016	137,458	184,879
Amount	3,346,081	2,391	440,235	765,202	1,187,690	780,921	69,736	99,907
Credit for the elderly or disabled:								
Number of returns	62,019	35,751	26,269	0	0	0	0	0
Amount	8,023	5,783	2,241	0	0	0	0	0
Child tax credit:								
Number of returns	23,692,091	98,452	4,394,643	6,431,511	9,500,893	3,265,228	1,358	* 4
Amount	28,584,022	12,721	2,086,576	6,579,491	15,464,331	4,440,359	537	* 6
Education tax credits:								
Number of returns	10,739,306	754,501	2,364,803	2,518,240	3,525,273	1,576,489	0	0
Amount	10,981,087	208,273	1,689,126	2,483,332	4,353,347	2,247,010	0	0
Retirement savings contributions credit:								
Number of returns	6,351,030	266,964	2,799,720	2,587,897	696,448	0	0	0
Amount	1,058,651	40,427	451,597	452,125	114,502	0	0	0
Adoption credit:								
Number of returns	81,430	155	3,312	20,687	40,613	15,465	845	355
Amount	280,603	1,506	1,892	28,800	151,543	88,099	2,020	6,743
Residential energy credits:								
Number of returns	6,869,229	58,654	455,374	1,156,064	2,900,033	1,823,970	204,041	271,091
Amount	5,943,126	9,936	227,587	798,308	2,412,240	1,815,128	233,446	446,481
Foreign tax credit:								
Number of returns	6,356,367	132,980	411,372	756,896	1,897,560	1,783,504	362,441	1,011,615
Amount	12,938,622	4,900	44,820	132,704	367,842	938,697	459,616	10,990,043
General business credit:								
Number of returns	248,672	2,531	9,468	19,295	61,666	72,540	12,349	70,824
Amount	1,237,780	5,977	7,489	23,788	86,914	177,916	27,382	908,312
Prior year minimum tax credit:								
Number of returns	298,910	3,729	7,218	9,366	45,175	158,088	20,907	54,429
Amount	730,408	1,174	3,689	6,219	56,932	201,232	20,286	440,878
Total making work pay credit:								
Number of returns	101,758,158	20,468,195	23,606,017	21,416,625	26,160,280	10,081,599	14,177	11,265
Amount	51,099,849	7,224,228	10,468,601	10,653,953	15,872,646	6,871,798	4,711	3,910
Making work pay credit used to offset income tax before credits:								
Number of returns	68,995,598	3,852,468	13,280,251	17,004,682	24,805,356	10,027,427	14,165	11,251
Amount	34,674,354	906,434	4,853,329	7,452,075	14,628,758	6,825,146	4,706	3,906
Making work pay credit used to offset other taxes:								
Number of returns	8,852,516	4,686,736	2,322,507	1,259,572	556,925	26,767	* 5	* 3
Amount	3,446,159	1,603,181	986,289	577,924	262,262	16,499	* 2	* 1
Making work pay credit refundable portion:								
Number of returns	32,494,288	15,275,969	10,630,849	4,885,205	1,656,493	45,753	* 8	* 13
Amount	12,979,336	4,714,611	4,628,985	2,623,953	981,626	30,153	* 2	* 3
Total earned income credit (EIC):								
Number of returns	27,388,200	13,693,142	9,382,507	4,312,552	0	0	0	0
Amount	60,426,876	25,825,922	29,164,581	5,436,371	0	0	0	0

Footnotes at end of table.

Individual Income Tax Returns, Preliminary Data, 2009

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Table 1. Individual Income Tax Returns, Tax Year 2009 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued

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

Item	All returns	Size of adjusted gross income						
		Under \$15,000 [1]	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$250,000	\$250,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
EIC used to offset income tax before credits:								
Number of returns	1,494,322	182,217	531,130	780,975	0	0	0	0
Amount	492,308	10,824	226,103	255,380	0	0	0	0
EIC used to offset other taxes:								
Number of returns	5,188,174	3,524,784	1,230,845	432,544	0	0	0	0
Amount	4,816,120	2,633,382	1,794,064	388,674	0	0	0	0
Excess EIC refundable portion:								
Number of returns	25,345,868	12,519,815	9,148,441	3,677,614	0	0	0	0
Amount	55,118,448	23,181,717	27,144,413	4,792,316	0	0	0	0
Total refundable education credit:								
Number of returns	8,951,615	1,810,318	1,796,413	1,607,270	2,294,056	1,443,560	0	0
Amount	7,711,336	1,441,762	1,404,441	1,352,612	2,106,254	1,406,265	0	0
Refundable education credit used to offset income tax before credits:								
Number of returns	4,448,853	3,820	361,968	721,830	1,931,836	1,429,399	0	0
Amount	3,549,154	1,015	120,114	440,226	1,602,834	1,384,966	0	0
Refundable education credit used to offset other taxes:								
Number of returns	385,926	83,009	70,677	127,211	99,509	5,520	0	0
Amount	221,967	34,335	36,820	79,007	66,234	5,570	0	0
Refundable education credit refundable portion:								
Number of returns	4,924,465	1,780,412	1,621,349	1,016,193	489,256	17,255	0	0
Amount	3,940,214	1,406,409	1,247,505	833,379	437,187	15,730	0	0
Total first-time homebuyer credit:								
Number of returns	1,371,959	128,324	172,852	370,557	532,291	159,113	8,824	0
Amount	9,715,356	783,381	1,158,209	2,675,227	3,911,823	1,129,835	56,881	0
First-time homebuyer credit used to offset income tax before credits:								
Number of returns	1,085,512	9,473	97,537	300,048	510,606	159,032	8,815	0
Amount	4,837,874	3,010	114,361	858,548	2,698,365	1,106,767	56,823	0
First-time homebuyer credit used to offset other taxes:								
Number of returns	169,320	16,644	15,279	46,975	86,725	3,693	* 5	0
Amount	217,777	14,460	32,895	70,538	96,970	2,894	* 21	0
First-time homebuyer credit refundable portion:								
Number of returns	996,425	128,272	170,447	350,910	335,982	10,809	* 8	0
Amount	4,659,706	765,912	1,010,951	1,746,143	1,116,488	20,174	* 38	0
Total refundable prior year minimum tax credit:								
Number of returns	226,506	18,283	2,546	3,141	11,784	52,182	32,426	106,147
Amount	2,211,594	237,016	16,133	44,965	291,920	652,699	217,242	751,617
Refundable prior year minimum tax credit used to offset income tax before credits:								
Number of returns	186,257	* 141	0	* 12	2,673	46,089	31,978	105,362
Amount	865,920	* 497	0	* 273	13,628	109,615	134,879	607,027

Footnotes at end of table.

Individual Income Tax Returns, Preliminary Data, 2009

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Table 1. Individual Income Tax Returns, Tax Year 2009 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued

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		Under \$15,000 [1]	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$250,000	\$250,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Refundable prior year minimum tax credit used to offset other taxes:								
Number of returns	9,751	4,817	* 89	* 485	1,788	1,251	830	494
Amount	23,668	8,446	* 403	* 767	1,852	9,910	641	1,649
Refundable prior year minimum tax credit refundable portion:								
Number of returns	44,868	15,547	2,471	2,746	8,526	10,616	2,209	2,757
Amount	1,322,006	228,074	15,729	43,926	276,440	533,175	81,722	142,941
Self-employment tax:								
Number of returns	17,236,650	5,503,697	2,836,835	2,252,324	3,533,490	2,038,506	315,977	755,824
Amount	44,425,902	6,190,749	5,309,989	4,785,031	9,384,055	8,738,028	2,153,298	7,864,750
Additional child tax credit:								
Number of returns	21,539,362	6,861,483	9,123,900	4,286,110	1,238,056	29,802	11	0
Amount	27,744,075	6,572,650	13,130,781	6,338,238	1,662,308	40,075	24	0
Total income tax:								
Number of returns	81,939,015	5,043,202	14,058,297	17,951,697	27,552,200	13,412,608	1,434,602	2,486,409
Amount	868,049,646	1,291,849	13,915,992	45,343,523	158,804,824	213,407,586	53,822,608	381,463,260
Total tax liability:								
Number of returns	86,138,122	7,629,139	14,816,712	18,425,899	27,898,741	13,443,374	1,436,018	2,488,239
Amount	910,001,338	3,877,639	16,559,251	49,416,101	169,460,269	223,905,422	56,292,703	390,489,956

* Estimate should be used with caution because of the small number of returns on which it is based.

[1] Includes returns with adjusted gross deficit.

[2] Included in data for Forms 1040, 1040A, and 1040EZ.

[3] Not included in adjusted gross income.

[4] Includes capital gain distributions reported on Form 1040 and Schedule D.

[5] Other adjustments does not include the foreign housing deduction or the medical savings account deduction.

[6] For Tax Year 2009 the increases in standard deduction were taken as:

 Real estate taxes: Number of returns—15,092,064, Amount—11,279,058

 New motor vehicle taxes: Number of returns—1,431,962, Amount—1,994,981

 Net disaster loss: Number of returns—11,290, Amount—122,757

[7] State and local income taxes is the total of both income taxes and general sales taxes.

[8] Includes making work pay credit, EIC, first-time home buyer credit, and refundable prior year minimum tax credit used to offset income tax before credits, shown separately later in this figure.

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

Individual Income Tax Rates and Shares, 2008

by Kyle Mudry

Taxpayers filed 142.5 million returns for Tax Year 2008. Of those, 90.7 million (or 63.6 percent) were classified as taxable returns. This represents the lowest percentage in more than 23 years. A taxable return is a return that has total income tax greater than \$0. The number of taxable returns for 2008 was 5.8 percent lower than for 2007. Adjusted gross income (AGI) on these taxable returns decreased 6.1 percent to \$7,583 billion for 2008, while total income tax decreased 7.5 percent to \$1,032 billion. The average tax rate for taxable returns decreased 0.2 percentage points to 13.6 percent.

The top 1 percent of taxpayers, those with AGI of at least \$380,354, accounted for 20.0 percent of AGI for 2008. This represents a decrease in income share of 2.8 percentage points from the previous year, when the cutoff for this group was \$410,096. These taxpayers accounted for 38.0 percent of the total income tax reported, a decrease from 40.4 percent in 2007. The top 5 percent of taxpayers accounted for 34.7 percent of AGI and 58.7 percent of total income tax. To be included in the top 5 percent, a taxpayer must have reported AGI of at least \$159,619, whereas, in 2007, the cutoff for this group was \$160,041.

This article discusses the individual income tax rates and tax shares and the computation of “total income tax” for 2008. To put this discussion into perspective, the article provides explanations of selected terms used in the article and describes the income tax structure, certain tax law changes, income and tax concepts (the “1979 Income Concept,” “modified” taxable income, and marginal tax rates), the computation of “alternative minimum taxable income,” and data sources and limitations.

Income Tax Rates

Discussions of income tax rates generally center on measuring two distinct tax rates: average tax rates and marginal tax rates. Average tax rates are

calculated by dividing some measure of tax by some measure of income. For the statistics in this article, the average tax rate is “total income tax” (see the *Explanation of Selected Terms* section of this article) divided by AGI reported on returns showing some income tax liability.

Measures of marginal tax rates focus on determining the tax rate imposed on the last (or next) dollar of income received by a taxpayer. For this article, the marginal tax rate is the statutory rate at which the last dollar of taxable income is taxed. (See the *Income and Tax Concepts* section of this article for a more detailed explanation of marginal tax rates.) The following sections describe the measurement of the average and marginal tax rates in more detail, and discuss the statistics based on these rates for 2008.

Average Tax Rates

Figure A presents statistics for 1986 through 2008 on income (based on each year’s definition of AGI and on the common 1979 Income Concept) and taxes reported. (See the *Income and Tax Concepts* section of this article for a more detailed explanation of the 1979 Income Concept.) These tax years can be partitioned into seven distinct periods:

- (1) Tax Year 1986 was the last year under the Economic Recovery Tax Act of 1981 (ERTA81). The tax bracket boundaries, personal exemptions, and standard deductions were indexed for inflation, and the maximum tax rate was 50 percent.
- (2) Tax Year 1987 was the first year under the Tax Reform Act of 1986 (TRA86). For 1987, a 1-year, transitional, five-rate tax bracket structure was established with a partial phase-in of new provisions that broadened the definition of AGI. The maximum tax rate was 38.5 percent.
- (3) During Tax Years 1988 through 1990, there was effectively a three-rate tax bracket structure.¹ The phase-in of the provisions of TRA86 continued with a maximum tax rate of 33 percent.

Kyle Mudry is an economist with the Individual Returns Analysis Section. This article was prepared under the direction of Jeff Hartzok, Chief.

¹ For Tax Years 1988 through 1990, the tax rate schedules provided only two basic rates: 15 percent and 28 percent. However, taxable income over certain levels was subject to a 33-percent tax rate to phase out the benefit of the 15-percent tax bracket (as compared to the 28-percent rate) and the deduction for personal exemptions. At the taxable income level, where these benefits were completely phased out, the tax rate returned to 28 percent.

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Figure A

Adjusted Gross Income, Total Income Tax, Average Tax Rate, and Average Total Income Tax, Tax Years 1986–2008

[Money amounts are in billions of dollars, except where indicated]

Tax year	Total number of returns	Taxable returns						Average per return (whole dollars) [3]			
		Number of returns	As a percentage of total returns [1]	Adjusted gross income (less deficit)	Total income tax	Average tax rate (percent) [2], [3]	Current dollars		Constant dollars [4]		
							Adjusted gross income (less deficit)	Total income tax	Adjusted gross income (less deficit)	Total income tax	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
Using each tax year's adjusted gross income											
1986	103,045,170	83,967,413	81.5	2,440	367	15.1	29,062	4,374	26,516	3,991	
1987	106,996,270	86,723,796	81.1	2,701	369	13.7	31,142	4,257	27,414	3,747	
1988	109,708,280	87,135,332	79.4	2,990	413	13.8	34,313	4,738	29,005	4,005	
1989	112,135,673	89,178,355	79.5	3,158	433	13.7	35,415	4,855	28,560	3,915	
1990	113,717,138	89,862,434	79.0	3,299	447	13.6	36,711	4,976	28,088	3,807	
1991	114,730,123	88,733,587	77.3	3,337	448	13.4	37,603	5,054	27,609	3,711	
1992	113,604,503	86,731,946	76.3	3,484	476	13.7	40,168	5,491	28,630	3,914	
1993	114,601,819	86,435,367	75.4	3,564	503	14.1	41,233	5,817	28,535	4,026	
1994	115,943,131	87,619,446	75.6	3,737	535	14.3	42,646	6,104	28,776	4,119	
1995	118,218,327	89,252,989	75.5	4,008	588	14.7	44,901	6,593	29,463	4,326	
1996	120,351,208	90,929,350	75.6	4,342	658	15.2	47,750	7,239	30,433	4,614	
1997	122,421,991	93,471,200	76.4	4,765	731	15.3	50,980	7,824	31,763	4,875	
1998	124,770,662	93,047,898	74.6	5,160	789	15.3	55,458	8,475	33,836	5,171	
1999	127,075,145	94,546,080	74.4	5,581	877	15.7	59,028	9,280	35,431	5,570	
2000	129,373,500	96,817,603	74.8	6,083	981	16.1	62,832	10,129	36,488	5,882	
2001	130,255,237	94,763,530	72.8	5,847	888	15.2	61,702	9,370	34,840	5,291	
2002	130,076,443	90,963,896	69.9	5,641	797	14.1	62,015	8,762	34,472	4,870	
2003	130,423,626	88,921,904	68.2	5,747	748	13.0	64,625	8,412	35,122	4,572	
2004	132,226,042	89,101,934	67.4	6,266	832	13.3	70,318	9,337	37,225	4,943	
2005	134,372,678	90,593,081	67.4	6,857	935	13.6	75,687	10,319	38,754	5,284	
2006	* 138,394,754	92,740,927	67.0	7,439	1,024	13.8	80,218	11,041	39,791	5,477	
2007	** 142,978,806	96,272,958	67.3	8,072	1,116	13.8	83,851	11,588	40,449	5,590	
2008	142,450,569	90,660,104	63.6	7,583	1,032	13.6	83,647	11,379	38,851	5,285	
Using 1979 Income Concept [5]											
1986	103,045,170	83,967,413	81.5	2,703	367	13.6	32,194	4,374	29,374	3,991	
1987	106,996,270	86,723,796	81.1	2,736	369	13.5	31,551	4,257	27,774	3,747	
1988	109,708,280	87,135,332	79.4	3,011	413	13.7	34,556	4,738	29,210	4,005	
1989	112,135,673	89,178,355	79.5	3,188	433	13.6	35,752	4,855	28,832	3,915	
1990	113,717,138	89,862,434	79.0	3,335	447	13.4	37,108	4,976	28,392	3,807	
1991	114,730,123	88,733,587	77.3	3,387	448	13.2	38,169	5,054	28,024	3,711	
1992	113,604,503	86,731,946	76.3	3,553	476	13.4	40,964	5,491	29,198	3,914	
1993	114,601,819	86,435,367	75.4	3,625	503	13.9	41,938	5,817	29,023	4,026	
1994	115,943,131	87,619,446	75.6	3,796	535	14.1	43,322	6,104	29,232	4,119	
1995	118,218,327	89,252,989	75.5	4,075	588	14.4	45,655	6,593	29,957	4,326	
1996	120,351,208	90,929,350	75.6	4,418	658	14.9	48,582	7,239	30,964	4,614	
1997	122,421,991	93,471,200	76.4	4,849	731	15.1	51,875	7,824	32,321	4,875	
1998	124,770,662	93,047,898	74.6	5,299	789	14.9	56,947	8,475	34,745	5,171	
1999	127,075,145	94,546,080	74.4	5,736	877	15.3	60,666	9,280	36,414	5,570	
2000	129,373,500	96,817,603	74.8	6,294	981	15.6	65,012	10,129	37,754	5,882	
2001	130,255,237	94,763,530	72.8	5,943	888	14.9	62,716	9,370	35,413	5,291	
2002	130,076,443	90,963,896	69.9	5,758	797	13.8	63,297	8,762	35,184	4,870	
2003	130,423,626	88,921,904	68.2	5,849	748	12.8	65,777	8,412	35,749	4,572	
2004	132,226,042	89,101,934	67.4	6,399	832	13.0	71,817	9,337	38,019	4,943	
2005	134,372,678	90,593,081	67.4	7,016	935	13.3	77,448	10,319	39,656	5,284	
2006	* 138,394,754	92,740,927	67.0	7,640	1,024	13.4	82,379	11,041	40,863	5,477	
2007	** 142,978,806	96,269,751	67.3	8,282	1,116	13.5	86,028	11,588	41,499	5,590	
2008	142,450,569	90,660,104	63.6	7,760	1,032	13.3	85,592	11,379	39,754	5,285	

* Includes 742,859 Form 1040 EZ-T returns.

** The total number of returns does not include the returns filed by individuals only to receive the economic stimulus payment and who had no other reason to file.

[1] Number of taxable returns (column 2) divided by total number of returns (column 1).

[2] Average tax rate is "total income tax" (column 5) divided by "adjusted gross income less deficit (AGI)" (column 4).

[3] The average adjusted gross income (less deficit), average total income tax, and average tax rate were calculated from unrounded data.

[4] Constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1982-84=100). For 2008, the CPI-U = 215.303.

[5] These statistics are based on adjusted gross income less deficit (AGI) recomputed to reflect the 1979 Income Concept, thus enabling more valid comparisons to be made of the average tax rates among years. Changes in the definition of AGI among years render direct comparison of the unadjusted figures misleading. For additional information, see *Statistics of Income—Individual Income Tax Returns*, for 1986-2008. See Figure G for components of the 1979 Income Concept.

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- (4) Tax Years 1991 and 1992 brought a three-rate tax bracket structure (with a maximum tax rate of 31 percent), a limitation on some itemized deductions, and a phaseout of personal exemptions for some upper-income taxpayers.
- (5) Tax Years 1993 through 1996 had a five-rate tax bracket structure (with a maximum statutory tax rate of 39.6 percent), a limitation on some itemized deductions, and a phaseout of personal exemptions for some upper-income taxpayers.
- (6) Tax Years 1997 through 2000 were subject to the Taxpayer Relief Act of 1997, which added three new capital gain tax rates to the previous rate structure to form a new eight-rate tax bracket structure (with maximum statutory tax rate of 39.6 percent). See the *Income and Tax Concepts* section of this article for a more detailed description of the capital gain rates.
- (7) Tax Years 2001 through 2008 were affected mainly by two new laws, the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA). EGTRRA included a new 10-percent tax rate bracket, as well as reductions in tax rates for brackets higher than 15 percent of one-half percentage point for 2001 and 1 percentage point for 2002. It also included increases in the child tax credit and an increase in alternative minimum tax exemptions. Tax Year 2003, under JGTRRA, saw additional rate reductions (accelerations of EGTRRA's phased-in reductions) in ordinary marginal tax rates higher than the 15-percent rate, as well as expansions to particular income thresholds in the rates from 15 percent and below. Also, the rate for most long-term capital gains was reduced from 20 percent to 15 percent. Further, qualified dividends were taxed at this same 15-percent rate. These changes are detailed in Appendix C of the previously published article, "Individual Income Tax Rates and

Shares, 2003" (under *Tax Rate Reduction*). Under EGTRRA, beginning in 2006, the complete phase-out of personal exemptions and the limitation on some itemized deductions for upper-income taxpayers were modified to limit the maximum phaseout of two-thirds of both the exemption amount and the itemized deduction limitation amount. For 2008, the limit was changed to one-third. Beginning in 2004, the Working Families Tax Relief Act increased the additional child tax credit refundability rate from 10 percent to 15 percent.

About 90.7 million, or 63.6 percent, of the 142.5 million individual returns filed for 2008 were classified as taxable returns. This was a 5.8-percent decrease in the number of taxable returns from 2007. This also represents the lowest percentage of individual returns that were taxable in more than 23 years. Total AGI reported on taxable returns decreased 6.1 percent to \$7,583 billion. Using the 1979 Income Concept, total AGI on taxable returns decreased 6.3 percent to \$7,760 billion for 2008. Total income tax decreased by more than \$84 billion (7.5 percent) to \$1,032 billion for 2008. Average AGI for taxable returns decreased to \$83,647 for 2008, (a small decrease from 2007). Average income tax also decreased for 2008 by 1.8 percent to \$11,379.

In order to analyze the average tax rate over time, it is necessary to use a more consistent measure of income than AGI, because some tax law changes have resulted in the definition of AGI changing from year to year. The 1979 Income Concept controls for much of this variation in tax law, and its use provides a more consistent estimate of the average tax rate across years. Under the 1979 Concept, the average tax rate for 2008 decreased to 13.3 percent from 13.5 percent for the previous year.

As shown in Figure B, the average tax rate on all taxable returns as a percentage of AGI was 13.6 percent for 2008. The average tax rate for the AGI-size classes ranged from 2.8 percent for the "\$1 under \$10,000" AGI-size class to 24.1 percent for the "\$500,000 under \$1,000,000" AGI-size class.

The average tax rate of 13.6 percent for 2008 for all income classes combined was 0.2 percentage points lower than in 2007. The average tax rate

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Figure B

Taxable Returns: Number of Returns, Adjusted Gross Income, and Total Income Tax, by Size of Adjusted Gross Income, Tax Years 2007 and 2008

[Number of returns is in thousands—money amounts are in millions of dollars]

Tax year, item	Total	Size of adjusted gross income									
		Under \$1 [1]	\$1 under \$10,000	\$10,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 or more
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Tax Year 2008:											
Number of taxable returns	90,660	3	3,114	9,530	10,757	20,064	29,097	13,741	3,460	574	319
Adjusted gross income (less deficit)	7,583,462	-3,102	21,345	146,249	268,626	793,657	2,078,215	1,831,327	988,579	390,236	1,068,330
Total income tax	1,031,581	69	598	5,078	15,440	56,953	184,554	232,270	193,699	93,899	249,020
Average tax rate (percent) [2]	13.6	[3]	2.8	3.5	5.7	7.2	8.9	12.7	19.6	24.1	23.3
Tax Year 2007:											
Number of taxable returns	96,273	6	4,209	11,464	11,593	21,213	29,877	13,386	3,484	649	391
Adjusted gross income (less deficit)	8,072,294	-5,805	27,596	172,061	289,357	837,794	2,128,157	1,783,982	1,002,131	440,314	1,396,706
Total income tax	*1,115,760	99	733	6,825	17,599	61,368	190,716	228,755	196,469	103,163	310,033
Average tax rate (percent) [2]	13.8	[3]	2.7	4.0	6.1	7.3	9.0	12.8	19.6	23.4	22.2
Change in:											
Number of taxable returns	-5,613	-2	-1,095	-1,935	-836	-1,149	-780	355	-24	-75	-72
Percent	-5.8	-37.4	-26.0	-16.9	-7.2	-5.4	-2.6	2.7	-0.7	-11.6	-18.4
Adjusted gross income (less deficit)	-488,832	2,703	-6,251	-25,812	-20,731	-44,137	-49,943	47,345	-13,552	-50,079	-328,375
Percent	-6.1	-46.6	-22.7	-15.0	-7.2	-5.3	-2.3	2.7	-1.4	-11.4	-23.5
Total income tax	-84,180	-30	-135	-1,747	-2,160	-4,414	-6,162	3,516	-2,770	-9,264	-61,014
Percent	-7.5	-30.1	-18.5	-25.6	-12.3	-7.2	-3.2	1.5	-1.4	-9.0	-19.7
Average tax rate:											
Percentage point change	-0.2	[4]	0.1	-0.5	-0.3	-0.1	-0.1	-0.1	[5]	0.6	1.1

* Revised from previously published value of 1,115.6

[1] Includes returns with adjusted gross deficit. Tax in these returns represents some combination of alternative minimum tax, Form 4972 tax on lump-sum distributions from qualified retirement plans, and Form 8814 tax on a child's interest and dividends not reflected in adjusted gross income or taxable income.

[2] Average tax rate is "total income tax" as a percentage of adjusted gross income less deficit (AGI). The average tax rate was calculated from unrounded data.

[3] Percentage not computed.

[4] Change not computed.

[5] Less than 0.05 percent.

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

for taxable returns in AGI classes under \$200,000 fell for 2008, remained the same in the \$200,000 to under \$500,000 class, and increased in AGI classes \$500,000 and higher.

Marginal Tax Rate Classifications

A return's marginal tax rate is the highest statutory tax rate bracket applicable to that tax return. Marginal tax rate statistics are presented in Figure C and Table 1. These statistics are based on individual income tax returns showing a positive taxable income amount based on "tax generated" and items of income that were subject to the regular income

tax, generally those included in AGI.² The *Income and Tax Concepts* section of this article explains the determination of the marginal tax rate bracket into which a return is assumed to fall. Table 2 contains additional data based on ordinary tax rates and presents statistics on the income and tax generated at each ordinary tax rate by size of AGI.

For 2008, the number of individual returns with modified taxable income decreased 2.3 percent to 108.0 million.³ The amount of modified taxable income reported on these returns decreased 6.8 percent to \$5,652.3 billion. The tax generated on these returns decreased by 6.4 percent to \$1,081.3

² Nontaxable (i.e., tax-exempt) forms of income, such as interest on State and local government obligations, were not included in AGI and generally did not affect the marginal tax rate. However, in some situations the receipt of some forms of tax-exempt income, such as tax-exempt interest, could have influenced the taxability of other income, in particular Social Security benefits. When this situation occurred, the income made taxable by the receipt of other forms of nontaxable income was included in AGI.

³ The 2007 data are from Dungan, Adrian and Kyle Mudry, Individual Income Tax Rates and Shares, 2007, *Statistics of Income Bulletin*, Winter 2010, Volume 29, Number 3, p. 18-75.

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Figure C

Returns with Modified Taxable Income: Tax Generated at All Rates on Returns with the Indicated Marginal Tax Rate, Tax Year 2008

[Money amounts are in thousands of dollars]

Marginal tax rate classes	Number of returns		Modified taxable income		Tax generated	
	Number	Percent of total	Amount	Percent of total	Amount	Percent of total
			(1)	(2)	(3)	(4)
Total	107,978,328	100.0	5,652,315,095	100.0	1,081,295,469	100.0
*0 percent	828,798	0.8	5,641,894	0.1	0	0
5 percent (prior year rate)	36,171	[1]	401,369	[1]	20,069	0.0
10 percent	26,189,462	24.3	144,416,442	2.6	13,653,580	1.3
10 percent (Form 8814) [2]	19,088	[1]	24,916	[1]	2,492	0.0
15 percent	42,389,614	39.3	1,163,636,276	20.6	149,790,612	13.9
15 percent (capital gains) [3]	7,742,786	7.2	453,870,406	8.0	57,572,176	5.3
25 percent	23,286,637	21.6	1,644,133,455	29.1	278,040,704	25.7
25 percent (capital gains)	184,687	0.2	31,530,529	0.6	5,349,787	0.5
28 percent	4,257,855	3.9	610,072,127	10.8	127,944,621	11.8
28 percent (capital gains)	18,108	[1]	3,766,145	0.1	794,906	0.1
33 percent	1,669,518	1.5	451,864,124	8.0	109,741,449	10.1
35 percent	971,510	0.9	1,138,591,766	20.1	337,546,859	31.2
Form 8615 [4]	384,095	0.4	4,365,648	0.1	838,213	0.1

* For tax year 2008, the 5 percent tax rate on qualified dividends and net capital gain was reduced to zero.

[1] Less than 0.05 percent.

[2] Form 8814 was filed for a dependent child, meeting certain age requirements, for whom the parents made an election to report the child's investment income on the parents' tax return. This rate classification is comprised of those returns with a tax liability only from the dependent's income.

[3] The 15 percent capital gains rate also includes qualified dividends.

[4] Form 8615 was filed for a child meeting certain age requirements, to report the child's investment income. The returns in this rate classification are not distributed by tax rate.

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

billion. Figure C presents the amounts and percentages of modified taxable income and income tax generated (before alternative minimum tax and reduction by tax credits, including the earned income credit) by the marginal tax rate categories (defined in the *Income and Tax Concepts* section of this article).

Returns with modified taxable income in the “15-percent” (ordinary income) marginal tax rate bracket contained the largest share of returns for 2008, at 39.3 percent. These returns reported 20.6 percent of modified taxable income for 2008 and generated 13.9 percent of income tax. Conversely, taxpayers in the “35-percent” (ordinary income) marginal rate, the least represented (ordinary income) bracket, accounted for only 0.9 percent of returns, but reported 20.1 percent of the modified taxable income and 31.2 percent of the tax generated (the largest of any tax bracket). The “10-percent” (ordinary income) marginal rate bracket reported the second largest share of returns, at 24.3 percent. However, such returns accounted for only 2.6 percent of modified income and 1.3 percent of income tax generated. With a 21.6-percent share

of returns, making it the third largest bracket, the “25-percent” (ordinary income) marginal rate bracket reported 29.1 percent of the modified taxable income and 25.7 percent of income tax generated. Returns in the “28-percent” (ordinary income) marginal rate bracket represented 3.9 percent of the total share of returns and accounted for 10.8 percent of the modified taxable income and 11.8 percent of the generated income tax. Returns in the “33-percent” (ordinary income) marginal rate bracket represented the second smallest share of ordinary tax rate returns, at 1.5 percent, and accounted for 8.0 percent of the modified taxable income and 10.1 percent of the tax generated. Returns in the capital gain and dividends 0-percent, 15-percent, 25-percent, and 28-percent tax brackets represented 8.2 percent of returns and reported a total of 8.8 percent of modified taxable income and 5.9 percent of the tax.

As shown in Table 2, the total tax generated for 2008 at the 15-percent rate was more than any other rate. The 34.9 percent of income taxed at this rate was reported by 74.3 percent of returns with modified taxable income, producing 27.4 percent

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of tax generated. The 35-percent rate generated the next largest amount of income tax. Tax in that bracket was reported on only 0.9 percent of returns. However, 11.0 percent of all modified taxable income was taxed at this rate, generating 20.2 percent of tax generated. The 25-percent (ordinary income) rate had the third largest amount of tax generated. Tax in that bracket was reported on 28.1 percent of returns, with 15.4 percent of all modified taxable income taxed at this rate, generating 20.1 percent of the tax generated.

Components of Total Income Tax

Regular Tax

Regular tax is generally tax determined from a taxpayer's taxable income based on statutory tax rates. It does not include the "alternative minimum tax" (AMT) nor does it exclude allowable tax credits. Figure D illustrates the derivation of the aggregate tax generated for 2007 and 2008 returns. Table 1 includes two tax amounts: "tax generated" and "income tax after credits." Tables 5 through 8 and Figures A and B include an additional measure of tax, "total income tax," which also includes distributed tax on trust accumulations.

As shown (Figure D and column 5 of Table 1), the tax generated by applying statutory ordinary income and capital gain tax rates to modified taxable income was \$1,081.3 billion, a 6.4-percent decrease from 2007.⁴ For most taxpayers, tax generated was equal to income tax before credits. However, for some taxpayers, income tax before credits included the alternative minimum tax (AMT) and/or special taxes on lump-sum distributions from qualified retirement plans (when a 10-year averaging method was used).⁵ The AMT increased 6.4 percent to \$25.6 billion for 2008. Income tax before credits

was \$1,106.9 billion for 2008, down from \$1,179.5 billion, representing a 6.2-percent decrease from 2007. Taxpayers used \$75.4 billion of tax credits to reduce their income tax before credits. The earned income credit (EIC) is included in this computation to the extent that its application did not reduce income tax before credits below zero. Any portion of the EIC that is refundable to the taxpayer because it exceeds the taxpayer's liability and any portion of the EIC used to reduce taxes other than income taxes are excluded from the computation of income tax after credits.⁶ Both income tax after credits (Figure D) and total income tax (the sum of income tax after credits and tax on trust accumulation distributions) totaled \$1,031.6 billion. These taxes both represented a 7.5-percent decrease from 2007.

For returns with modified taxable income, Table 4a shows estimates of income tax before credits by the type of tax computation. It shows the amount of tax before credits assuming that all taxable income is subject to regular tax rates with the amount of tax before credits actually computed after reflecting both regular tax rates and any special tax computations that the taxpayer is either permitted or required to make. In particular, qualified dividends and long-term capital gains are generally subject to lower tax rates and certain dependent tax filers are required to compute their tax as if their income were the marginal income of their parent or guardian.⁷ The capital gains computations generally reduce taxes; the special provision for certain dependent filers can only increase taxes.

For 2008, 85.4 million returns had their tax before credits computed using only regular income tax rates, compared with 85.3 million for 2007 that used only regular tax computations, an increase of 0.2 percent. The top portion of Table 4a shows the data for these returns. Since these returns did not

⁴ Tax generated does not include certain other taxes reported on the individual income tax return, such as self-employment tax (the Social Security and Medicare tax on income from self-employment), the Social Security tax on certain tip income, household employment taxes, tax from the recapture of prior-year investment, low-income housing, or other credits, penalty tax applicable to early withdrawals from an Individual Retirement Arrangement (IRA) or other qualified retirement plans, and tax on trusts, accumulation, and distributions. The statistics for "total tax liability," shown in Bryan, Justin, "Individual Income Tax Returns: 2008," *Statistics of Income Bulletin*, Fall 2010, Volume 29, Number 2, include these taxes.

⁵ The income amounts on which these special computations for lump-sum distributions were based were not reflected in current-year AGI or current-year taxable income.

⁶ For 2008, the total earned income credit was \$50.7 billion. This amount includes the amount used to reduce the income tax (\$1.0 billion), the amount used to reduce other taxes reported on individual income tax returns (\$5.4 billion), and the amount refunded to taxpayers (\$44.3 billion). Table 4 in Bryan, Justin, "Individual Income Tax Returns: 2008," *Statistics of Income Bulletin*, Fall 2010, Volume 29, Number 2, shows these amounts.

⁷ Dependents with income of more than \$1,800 other than earned income could file their own returns but were suggested to calculate their tax on other than earned income in excess of \$1,800 as if it were their parent's or guardian's marginal income. Form 8814 was used to compute the higher tax. For dependents with only modest amounts of investment income, the parent or guardian could elect to include the dependent's income on the parent's tax return, relieving the dependent of having to file his or her own tax return.

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Figure D

Derivation of Tax Years 2007 and 2008 Total Income Tax as Shown in Statistics of Income

[Money amounts are in billions of dollars]

Item	2007	2008	Percentage change (2007–2008)
	(1)	(2)	(3)
Tax generated from tax rate schedules or tax table	1,155.4	1,081.3	-6.4
PLUS:			
Tax on lump-sum distributions from qualified retirement plans	[1]	[1]	[2]
Alternative minimum tax	24.1	25.6	6.4
EQUALS:			
Income tax before credits	1,179.5	1,106.9	-6.2
LESS: Tax credits, total [3]	63.8	75.4	18.1
Child-care credit	3.5	3.5	1.3
Child tax credit [3]	31.6	30.5	-3.2
Education credit	6.9	7.6	10.5
Foreign tax credit	15.4	16.6	7.4
General business credit	0.8	1.6	95.1
Earned income credit (limited to the amount needed to reduce total income tax to zero)	0.9	1.0	3.9
Credit for prior-year minimum tax	1.0	0.9	-8.7
Retirement savings contribution credit	1.0	1.0	0.1
Other credits [4]	2.6	12.5	381.8
EQUALS:			
Income tax after credits	1,115.8	1,031.6	-7.5
PLUS: Trusts accumulation distribution	[1]	[1]	[2]
EQUALS:			
Total income tax	*1,115.8	1,031.6	-7.5

* Revised from previously published value of 1,115.6

[1] Less than \$0.05 billion.

[2] Percentage not computed.

[3] Does not include the additional child tax credit that for 2008 was \$20.43 billion which was refunded to taxpayers and not included in total income tax.

[4] Includes credits listed separately in table 2 of Individual Income Tax Returns: 2008, *Statistics of Income Bulletin*, Fall 2010, Volume 29, Number 2.

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

use any special tax computations, the difference due to special computation (shown in columns 4 and 8) is zero.

As shown in the middle section of Table 4a, for 2008, the number of tax returns filed by dependents under age 18 with Form 8615 for reporting investment income greater than \$1,800 (see *Changes in Law* section on tax on child's investment income) was a 0.4 million decrease of 8.4 percent from 2007. Form 8615 was used to compute the dependents' tax, as the dependents' income was the marginal income of the parent or guardian. This mandatory calculation can result in no change or an increase in tax before credits; it cannot lower the dependent's tax before credits. Thus, for Form 8615 filers, the difference in tax before credits due to special computations (column 8) reflects the combination of the lower tax from use of the special tax rates for dividends and capital gains and the possibly higher tax from the

required Form 8615 tax computation. The combination of the two offsetting provisions reduced taxes by \$26.1 million for 2008. The net tax reduction was due to a tax reduction of \$259.9 million from use of dividend and capital gains, and a tax increase of \$233.8 million from the Form 8615 tax computation.

As shown in the bottom section of Table 4a, for 2008, 20.9 million returns had their tax liability decreased by Schedule D (capital gains) and dividend tax computations. This was a decrease of 9.7 percent from the 23.2 million returns in 2007. Taxpayers filing these tax returns paid \$68.3 billion (column 8) less in tax before credits than they would have paid if they had not received the benefits of the lower tax rates for qualified dividends and capital gains. This was down from the \$125.7 billion in savings for 2007 due to use of these special tax rates. For these taxpayers, the average tax savings decreased from \$5,420 for 2007 to \$3,264 for 2008.

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Alternative Minimum Tax

The Revenue Act of 1978 established the alternative minimum tax (AMT) to ensure that a minimum amount of income tax was paid by taxpayers who might otherwise be able to legally reduce, or totally eliminate, their tax burdens. The AMT provisions may recapture some of the tax reductions under the ordinary income tax. Form 6251, *Alternative Minimum Tax—Individuals*, is used to calculate AMT. (See the *Computation of Alternative Minimum Taxable Income* section of this article for an

explanation of the computation of income for AMT purposes.)

Figure E presents statistics, by size of AGI, on the AMT reported by taxpayers filing Form 6251 with their returns. Some taxpayers included, or were required to include, Form 6251, even though their tax liability was not increased due to the AMT. The tabulations in Figure E include such forms. For 2008, AMT liability rose 6.4 percent to \$25.6 billion from \$24.1 billion in 2007. However, the number of returns that were subject to paying the AMT

Figure E

Returns with Alternative Minimum Tax Computation Reported on Form 6251: Total Adjustments and Preferences, and Alternative Minimum Taxable Income and Tax, by Size of Adjusted Gross Income, Tax Years 2007 and 2008

[Money amounts are in thousands of dollars]

Size of adjusted gross income	Total AMT adjustments and preferences [1]		Alternative minimum taxable income [1]		Alternative minimum tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
Tax Year 2008						
All returns	8,107,835	224,641,970	9,368,399	2,115,382,770	3,935,248	25,649,084
Under \$1 [2]	152,087	4,400,620	190,461	-37,762,395	4,522	84,315
\$1 under \$10,000	135,449	411,187	409,114	1,236,415	1,996	1,667
\$10,000 under \$20,000	204,348	697,478	396,431	4,537,718	8,562	6,595
\$20,000 under \$30,000	244,123	1,156,030	383,820	7,332,580	7,219	12,141
\$30,000 under \$40,000	248,545	1,249,629	357,634	10,265,392	1,668	6,468
\$40,000 under \$50,000	251,762	1,501,893	349,773	13,469,193	5,194	19,507
\$50,000 under \$75,000	732,349	6,685,113	899,497	48,078,894	73,921	84,395
\$75,000 under \$100,000	739,983	9,068,168	823,847	62,818,884	113,642	236,706
\$100,000 under \$200,000	2,083,231	38,956,482	2,178,359	285,292,652	860,296	2,008,640
\$200,000 under \$500,000	2,684,791	74,901,818	2,736,825	740,279,297	2,448,210	13,649,960
\$500,000 under \$1,000,000	429,813	27,025,070	438,358	269,265,523	324,641	4,215,840
\$1,000,000 or more	201,354	58,588,480	204,279	710,568,617	85,375	5,322,850
Tax Year 2007						
All returns	8,325,185	218,756,003	9,526,358	2,432,176,844	4,108,964	24,109,512
Under \$1 [2]	109,278	2,292,737	132,102	-14,682,314	6,169	106,219
\$1 under \$10,000	110,137	218,211	362,739	1,221,138	1,466	2,864
\$10,000 under \$20,000	189,939	534,021	367,787	4,181,188	8,214	6,107
\$20,000 under \$30,000	214,709	832,026	349,632	7,043,005	5,666	8,629
\$30,000 under \$40,000	244,687	1,395,560	358,553	10,446,888	5,115	8,849
\$40,000 under \$50,000	241,378	1,381,231	315,227	12,246,893	7,134	12,879
\$50,000 under \$75,000	752,168	6,309,412	910,219	49,652,638	74,106	83,941
\$75,000 under \$100,000	788,244	8,771,119	885,845	68,031,169	136,851	192,099
\$100,000 under \$200,000	2,265,291	38,023,877	2,360,024	308,216,266	956,648	1,929,652
\$200,000 under \$500,000	2,697,391	69,838,422	2,758,934	748,763,224	2,461,091	12,215,802
\$500,000 under \$1,000,000	461,619	25,483,663	471,667	291,789,822	335,677	3,974,004
\$1,000,000 or more	250,341	63,675,721	253,630	945,266,926	110,825	5,568,462

[1] See Figures I and J for the calculation of alternative minimum taxable income and the list of alternative minimum tax adjustments and preferences.

[2] Includes returns with adjusted gross deficit.

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

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Figure F

Alternative Minimum Tax, Tax Years 1986–2008

[Tax rates are in percentages—money amounts are in thousands of dollars]

Tax year	Highest statutory alternative minimum tax rate	Alternative minimum tax	
		Number of returns	Amount
(1)	(2)	(3)	
1986	20	608,907	6,713,149
1987	21	139,779	1,674,898
1988	21	113,562	1,027,884
1989	21	117,483	831,012
1990	21	132,103	830,313
1991	24	243,672	1,213,426
1992	24	287,183	1,357,063
1993	28	334,615	2,052,790
1994	28	368,964	2,212,094
1995	28	414,106	2,290,576
1996	28	477,898	2,812,746
1997	[1] 28	618,072	4,005,101
1998	[1] 28	853,433	5,014,549
1999	[1] 28	1,018,063	6,477,697
2000	[1] 28	1,304,197	9,600,840
2001	[1] 28	1,120,047	6,756,705
2002	[1] 28	1,910,789	6,853,901
2003	[1] 28	2,357,975	9,469,803
2004	[1] 28	3,096,299	13,029,239
2005	[1] 28	4,004,756	17,421,071
2006	[1] 28	3,966,540	21,564,586
2007	[1] 28	4,108,964	24,109,512
2008	[1] 28	3,935,248	25,649,084

[1] Top rate on most long-term capital gains was 20 percent; for 2003–08 the top rate was 15 percent.

decreased by 0.2 million for the period.⁸ Alternative Minimum Taxable Income (AMTI) for all returns filing a Form 6251 decreased 13.0 percent to \$2.1 trillion from 2007.

Figure F shows the number of taxpayers with AMT liability and the amount of that liability for each of the years 1986 through 2008. Much of the variation in the number of taxpayers affected by the AMT and in the amount of AMT liability during the mid-to-late 1980s and early 1990s was attributable to tax law changes such as TRA86, Revenue Reconciliation Act of 1990 (RRA90), and the Omnibus Budget Reconciliation Act (OBRA93), each of which altered the AMT. Since then, the impact of the AMT has increased partially because the AMT exemptions

have not been automatically indexed annually for the effects of inflation, whereas various parameters of the ordinary income tax (such as tax brackets, exemptions, etc.) have been indexed annually for inflation. In both EGTRRA in 2001 and JGTRRA in 2003, AMT exemptions were increased, while ordinary tax rates declined. For 2008, AMT levels rose to \$25.6 billion. Since 2001, the generated amount of the AMT has increased by a total of 279.6 percent. Also, during this same time, the number of returns paying AMT has more than tripled, from 1.1 million to 3.9 million.

Income and Tax Shares

Historical statistics from 1986 through 2008 on income and tax by cumulative percentiles (based on numbers of returns) are presented in Tables 5 through 8. Distributions of AGI as defined for each year, and tax or income item, by descending and ascending cumulative percentiles of returns, are presented in Tables 5 and 6. These tables can be used to make comparisons across cumulative percentile classes within each year, for tax years beginning in 1986.

Tables 5 and 7 are based on percentiles of returns cumulated downward from the highest income returns. The data in Tables 5 and 7 are shown for the top 0.1 percent (Table 5 only), 1 percent, 5 percent, 10 percent, 25 percent, and 50 percent of returns. Tables 6 and 8 are based on returns cumulated upward from the lowest income returns. Data are shown for the bottom 50 percent, 75 percent, 90 percent, 95 percent, and 99 percent of all returns.

Consider, for example, the data in Table 5 for the 140.0 million returns filed for 2008 with positive AGI.⁹ The average tax rate for these returns was 12.2 percent, a 0.44-percentage point decrease from 2007. (A sizable portion of returns with positive AGI are nontaxable, accounting for the difference in the computation of this particular average tax rate versus the 13.6-percent average tax rate for taxable returns only, shown in Figure A.) As expected for a graduated income tax system, the top 1 percent, 5 percent, 10 percent, 25 percent, and 50 percent all recorded a larger share of the income tax burden than their respective shares of AGI. For 2008, the returns in

⁸ Other tax returns may not have had AMT liability but the size of their tax credits may have been reduced because of the AMT.

⁹ The percentile groupings of tax filers exclude returns with zero or negative AGI.

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the top 0.1 percent reported 10.0 percent of total AGI and 18.5 percent of total income tax. The amount of AGI needed for inclusion in this percentile group (i.e., the AGI floor) was \$1,803,585. For 2007, the returns in this percentile group (i.e., those with at least \$2,155,365 in AGI) reported 11.9 percent of total AGI and 20.2 percent of total income tax.

For 2008, the returns in the top 1 percent reported 20.0 percent of total AGI and 38.0 percent of income tax. The amount of AGI needed for inclusion in this percentile group (i.e., the AGI floor) was \$380,354. For 2007, the returns in this percentile group (i.e., those with at least \$410,096 in AGI) reported 22.8 percent of total AGI and 40.4 percent of total income tax.

For 2008, the returns in the top 5-percent group (returns reporting AGI of \$159,619 or more) reported 34.7 percent of total AGI and 58.7 percent of income tax, compared to 37.4 percent and 60.6 percent, respectively, for 2007 (when the AGI floor was \$160,041). For 2008, returns in the top 10-percent group (returns with AGI of at least \$113,799) reported 45.8 percent of AGI and paid 69.9 percent of income tax. For 2007, the returns in this percentile group (with AGI of \$113,018 or more) reported 48.1 percent of total AGI and 71.2 percent of income tax. The top 50-percent group (reporting AGI of \$33,048 or more) accounted for 87.2 percent of AGI and paid almost all (97.3 percent) of the income tax for 2008.

The statistics by percentile in Tables 5 and 6 for years prior to 1991 and in Tables 7 and 8 for years prior to 1994 were estimated, using a mathematical technique called “osculatory interpolation,” applied to aggregated data tabulated by income-size classes, in order to distribute the tax returns within each class.¹⁰ For 1991 and later years, the statistics by percentiles in Tables 5 and 6, were computed based on an actual ranking of the returns in the statistical sample that served as the basis for Individual Statistics of Income estimates. The same was done for Tables 7 and 8 for 1994 and later years. The differences under the two methods were judged to be minor enough so that the pre-1991 and post-1990 data are believed to be comparable for Tables 5 and 6. Similarly for Tables 7 and 8, pre-1994 and post-1993 data are believed to be comparable.

Explanation of Selected Terms

This section provides brief explanations of the major tax concepts discussed in this article. For more extensive definitions, see *Individual Income Tax Returns 2008*, Statistics of Income Division, Internal Revenue Service, Publication 1304.

Adjusted gross income—Adjusted gross income is “total income,” as defined by the Internal Revenue Code, less “statutory adjustments” (primarily business, investment, or certain other deductions, such as payments to a Keogh self-employed retirement plan, certain deductible contributions to an Individual Retirement Arrangement (IRA), self-employed health insurance deductions, and one-half of Social Security taxes for the self-employed). Total income includes, for example, salaries and wages, taxable interest, dividends, alimony, and net amounts from such sources as business income, rents and royalties, and sales of capital assets.

Difference due to special tax computation—For this article, the tax difference is the amount of tax resulting from using provisions of one of the special tax computations (Form 8615 or Schedule D and qualified dividends) less the amount of tax that would have resulted from not having used any of these provisions (regular tax computation).

Dividends—Ordinary dividend income consisted of distributions of money, stock, or other property received by taxpayers from domestic and foreign corporations, either directly or passed through estates, trusts, partnerships, or regulated investment companies. Ordinary dividends also included distributions from money market mutual funds.

Ordinary dividends did not include nontaxable distributions of stock or stock rights, returns of capital, capital gains, or liquidation distributions. Taxpayers were also instructed to exclude amounts paid on deposits or withdrawable accounts in banks, mutual savings banks, cooperative banks, savings and loan associations, and credit unions, which were treated as interest income.

Qualified dividends are the ordinary dividends received in tax years beginning after 2002 that met certain conditions. These conditions include: the dividend must have been paid by a U.S. corporation or a “qualified” foreign corporation; the stock

¹⁰ For an explanation of the osculatory interpolation technique, see Oh, H. Lock, “Osculatory Interpolation with a Monotonicity Constraint,” 1977 Proceedings of the American Statistical Association, Section on Statistical Computing, 1978.

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ownership must have met certain holding period requirements; the dividends were not from certain institutions, such as mutual savings banks, cooperative banks, credit unions, tax-exempt organizations, or farmer cooperatives; and the dividends were not for any share of stock which was part of an employee stock ownership plan (ESOP). The maximum tax rate for qualified dividends was 15 percent generally (or 0 percent for amounts that would otherwise have been taxed at the 10-percent or 15-percent regular income rates).

Form 8615 tax computation—Form 8615, in addition to being used to figure the tax of certain children who are under 18, was required to figure the tax for a child with investment income of more than \$1,800 if the child:

- (1) Was age 18 at the end of 2008 and did not have earned income that was more than half of the child's support, or
- (2) Was a full-time student over age 18 and under age 24 at the end of 2008 and did not have earned income that was more than half of the child's support.

Income tax before credits—This amount consisted of the tax liability on taxable income, computed by using the tax tables, tax rate schedules, Schedule D Tax worksheet, foreign-earned income tax worksheet, Schedule J, or Form 8615, plus Form (s) 8814, any additional taxes from Form 4972, and the alternative minimum tax.

Income tax before credits (regular tax computation)—This amount consisted of the tax liability on ordinary income, computed by using the tax table or applying the rates from one of the four tax rate schedules, plus any additional tax (tax on lump-sum distributions from qualified retirement plans). When Form 8615 tax was payable on investment income of children, for this concept, all the income was taxed at the child's rate rather than at the rate of the parents. When the Schedule D tax was payable on net long-term capital gains, the tax was based on the regular tax rates rather than the 0-percent, 15-percent, 25-percent, or 28-percent tax rate for capital gains. When a tax was payable on a qualified dividend, the tax was based on regular tax rates instead of the maximum tax rate for qualified dividends, 15 percent

(0 percent for amounts that would otherwise have been taxed in the 10-percent tax bracket). This is in contrast to the computation of Income tax before credits (see above) in which special tax computations such as those involved on Form 8615, Schedule D and qualified dividends are taken into account. See Table 4.

Marginal tax rate—See *Income and Tax Concepts*.

Modified taxable income—See *Income and Tax Concepts*.

Regular tax computation—Depending on marital status and size of taxable income, the taxpayer used one of the four tax rate schedules (or an approximation from the tax table) to determine tax. Returns of taxpayers who had taxes computed by the Internal Revenue Service were classified under the regular tax computation method.

Schedule D and qualified dividend tax computation—Schedule D was used to compute the 0-percent, 15-percent, 25-percent, and 28-percent taxes on net long-term capital gains (in excess of net short-term capital losses) if such computations were beneficial to the taxpayer. Any investment interest allocated to long-term capital gains (on Form 4952) was excluded from this computation. Qualified dividends were taxed at a maximum tax rate of 15 percent (0 percent for amounts that would otherwise have been taxed in the 15-percent bracket).

Taxable income—Taxable income is AGI less the sum of personal exemption amounts and either the standard deduction for non-itemizers or total itemized deductions. The amounts for personal exemptions and total itemized deductions are net of any reductions because of taxpayers' incomes exceeding certain income thresholds.

Taxable returns—A return is classified as "taxable" based on the presence of "total income tax." The following additional taxes were not taken into account for this purpose: self-employment; household employment; Social Security; Railroad Retirement Tax Act (RRTA) taxes; tax from recomputing prior-year investment; low-income housing and a few other business credits; penalty taxes on Individual Retirement Arrangements; section 72 penalty taxes; advance earned income credit payments; or "golden parachute" payments (made to key employees as compensation under certain circumstances).

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Tax generated—This is the amount of tax computed on modified taxable income either from the tax rate schedules or the tax table. Tax generated does not take into account the alternative minimum tax or the effect of tax credits. For most returns (those without the special tax on lump-sum distributions from qualified retirement plans or alternative minimum tax), tax generated equals “income tax before credits.”

Total income tax—This is the sum of income tax after credits and tax on accumulated trust distribution from Form 4970, less the portion of EIC used to offset other taxes as well as the refundable portion of EIC (with tax limited to zero).

Income Tax Structure

Taxpayers must file an income tax return if they meet certain minimum filing requirements. The filing requirements for 2008 were generally based on the amount of “gross income,” filing status, age, dependency, and blindness.¹¹ Generally, the minimum level of income for which a return was required to be filed equaled the sum of the standard deduction for the particular filing status and the amount of the personal exemption deduction allowed for the taxpayer or taxpayers (but not for any dependents). In addition to the general filing requirements, individuals were required to file a return for Tax Year 2008 if they had net earnings from self-employment of at least \$400; liability for Social Security or Medicare tax on unreported tip income; Social Security, Medicare, or Railroad Retirement tax on reported tip income or group-term life insurance; “alternative minimum tax”; tax on qualified retirement plan distributions, including an Individual Retirement Arrangement (IRA) or a Medical Savings Account (MSA); tax on the recapture of investment credit, low-income housing credit, or a few other business credits; recapture tax on the

disposition of a home purchased with a Federally subsidized mortgage; any advance earned income credit payments; or wages of \$108.28 or more from a church or qualified church-controlled organization that was exempt from Social Security taxes.

Gross income includes all income received as money, goods, property, or services that was not expressly exempt from tax.¹² Adjusted gross income (AGI) is equal to gross income less deductions for certain expenses.¹³ “Taxable income,” the base on which income tax before credits is computed, equals AGI less the amount for personal exemptions and less either total allowable itemized deductions for taxpayers who itemize deductions, or the standard deduction (including the additional amounts for age and blindness) for all other taxpayers. The amounts for personal exemptions and total itemized deductions are net of any reductions because of taxpayers’ incomes exceeding certain income thresholds.

Income tax before credits is calculated from taxable income using: tax tables or tax rate schedules, both of which vary with taxpayer filing status (single, married filing jointly, surviving spouse, married filing separately, and head of household); Form 8615 or Form 8814 for children’s investment income; Schedule J for farmers and fishermen to income-average; foreign-earned income worksheet; Schedule D and Qualified Dividends worksheet for net long-term capital gains and qualified dividends; or some combination of the above. For 2008, the tax rates for each filing status were 0 percent, 10 percent, 15 percent, 25 percent, 26 percent, 28 percent, 33 percent, and 35 percent. The tax rates of 0 percent and 15 percent were used for qualified dividends and net long-term capital gains (in excess of net short-term capital losses). The 26-percent tax rate was only for the alternative minimum tax. Income tax before credits includes any alternative minimum tax.¹⁴

¹¹ Taxpayers fall into one of five filing statuses: single; married filing jointly; married filing separately; head of household; or surviving spouse. Being age 65 or older or being legally blind affects the amount of the standard deduction and, hence, the filing requirements. Taxpayers who are (or could be) dependents of other taxpayers have different filing requirements. For more information on the general filing requirements, see Bryan, Justin, “Individual Income Tax Returns: 2008,” *Statistics of Income Bulletin*, Fall 2010, Volume 30, Number 2.

¹² As defined under section 61 of the Internal Revenue Code, gross income includes amounts from wages and salaries, interest and dividends, alimony, bartering income, canceled debt income, gambling winnings, rents and royalties, and gains from property sales or exchanges, as well as gross income from sole proprietorships and farming, income from partnerships and S corporations, and distributions from estates and trusts. This definition of gross income is slightly different from the Form 1040, U.S. Individual Income Tax Return, concept of “total income,” which is a component of the adjusted gross income (AGI) calculation on Form 1040. Total income includes net amounts rather than gross amounts (income prior to deductions) from such items as business income and rents and royalties.

¹³ As defined under Internal Revenue Code section 62, deductible expenses are those incurred in the course of a trade or business or in connection with rents and royalties; losses from property sales or exchanges; and certain statutory adjustments, such as deductible contributions to an IRA or Keogh plan, moving expenses, the health insurance deduction for certain self-employed taxpayers, and one-half of self-employment tax.

¹⁴ Income tax before credits includes tax on lump-sum distributions from qualified retirement plans.

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To calculate their Federal income tax liability for 2008, taxpayers used either the tax table or the tax rate schedules. Taxpayers with taxable income less than \$100,000 were required to use the tax table, while those with taxable income of \$100,000 or more were required to use the tax rate schedules. The tax table was based on income tax “brackets” up to \$50 wide.¹⁵ The tax within each bracket was based on the tax calculated at the midpoint of the bracket and then rounded to the nearest whole dollar. As a result, the tax tables and the tax rate schedules could produce different amounts of tax for the same amount of taxable income. Use of the tax tables could have produced either a slightly higher or lower amount of tax than that produced by the tax rate schedules. For taxpayers using the tax tables with taxable income that was subject to the 28-percent marginal rate, the maximum difference in tax between the tax rate schedules and the tax table was \$8.00.¹⁶ However, for most taxpayers, the actual difference in tax was smaller.

Changes in Law for 2008

The definitions used in this article are generally the same as those in *Statistics of Income—2008, Individual Income Tax Returns* (IRS Publication 1304). The following is a partial list of tax law and Internal Revenue Service administrative changes that had a major bearing on the Tax Year 2008 data presented in this article.

Additional child tax credits—Modifications were made to the additional child tax credit for 2008. In Tax Year 2007, the credit limit based on earned income was 15 percent of a taxpayer’s earned income that exceeded \$11,750. For 2008, the limit was 15 percent of a taxpayer’s earned income that exceeded \$8,500.

Alternative minimum tax (AMT)—For Tax Year 2008, the minimum exemption rose to \$69,950 for a married couple filing a joint return, up from \$66,250 in 2007, and to \$46,200 for singles and heads of household, up from \$44,350, and to \$34,975 from \$33,125 for a married person filing separately.

Earned income credit—The maximum amount of the earned income credit increased, as did the amounts of earned income and investment income an individual could have and still claim the credit. The maximum amount of investment income (interest, dividends and capital gain income) a taxpayer could have and still claim the credit increased to \$2,950 from \$2,900. The maximum credit for taxpayers with no qualifying children increased to \$438 from \$428. For these taxpayers, earned income and AGI had to be less than \$12,880 (\$15,880 if married filing jointly) to get any EIC. For taxpayers with one qualifying child, the maximum credit increased \$64 to \$2,917 and, for taxpayers with two or more qualifying children, the maximum credit increased to \$4,828 from \$4,716. To be eligible for the credit, a taxpayer’s earned income and AGI had to be less than \$33,995 (\$36,995 for married filing jointly) for one qualifying child, or less than \$38,646 (\$41,646 for married filing jointly) for two or more qualifying children.

Exemption amount—For Tax Year 2008, the exemption amount increased by \$100 to \$3,500. Taxpayers could have lost a portion of their exemption benefits if their adjusted gross income was above certain amounts (\$119,975 married persons filing separately, \$159,950 single individuals, \$199,950 for heads of household, and \$239,950 for married persons filing jointly or qualifying widow(er)s). For 2008, a taxpayer could lose no more than one-third of the dollar amount of their exemption, so the amount of each exemption could not be reduced to less than \$2,333. For 2007 and 2006, a taxpayer could lose no more than two-thirds of the dollar amount of their exemption. For 2005 and previous years, exemption amounts could be reduced to zero.

First-time homebuyer credit—New for Tax Year 2008, a taxpayer may have claimed this refundable credit if he or she bought a home after April 8, 2008, and did not own a main home during the prior 3 years. Taxpayers were allowed to claim this credit in Tax Year 2008 or 2009, if their modified adjusted gross income was below \$95,000 (\$170,000, if married filing jointly). For homes purchased in

¹⁵ For taxable income between \$0 and \$5 and between \$5 and \$25, the tax brackets were \$5 and \$10 wide, respectively. For taxable income between \$25 and \$3,000, the brackets were \$25 wide. For taxable income above \$3,000, the brackets were \$50 wide.

¹⁶ For example, assume a taxpayer filing as “married filing separately” reported taxable income of \$99,950. Using the tax table, the tax would be \$22,365, but, using the tax rate schedules, the tax would be \$22,358, a difference of \$7.00.17 For more details on the income computation under the 1979 Income Concept for 2008, see *Individual Income Tax Returns 2008*, Statistics of Income Division, Internal Revenue Service, Publication 1304.

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2008, the credit operated much like an interest-free loan. Taxpayers generally had to repay the credit over a 15-year period. For homes purchased in 2009, taxpayers had to repay the credit only if the home ceases to be their main home within a 36-month period beginning on the purchase date. For 2008, 1.2 million taxpayers claimed this credit for a total of \$8.4 billion.

General business credit—For 2008, certain business credits such as the investment credit were allowed against the alternative minimum tax.

Health savings account deduction—For Tax Year 2008, contributions were not limited to the taxpayers annual health plan deductible. The maximum HSA deduction increased by \$50 to \$2,900 (\$5,800, if family coverage, up from \$5,650). These limits were \$900 higher if the taxpayer was age 55 or older.

Heartland Disaster Tax Relief Act of 2008—Temporary tax relief was enacted as a result of severe storms, tornadoes, or flooding affecting Midwestern disaster areas after May 19, 2008, and before August 1, 2008. Major provisions provided by this relief act included:

- (1) Suspended limits for certain personal casualty losses and cash contributions;
- (2) An additional exemption amount if a taxpayer provided housing for a person displaced by the Midwestern disaster;
- (3) An election to use 2007 earned income to calculate 2008 EIC and additional child tax credit.

Indexing—The following items increased due to indexing for inflation: personal exemption amounts, the basic standard deduction amounts, the tax bracket boundaries, and the beginning income amounts for limiting certain itemized deductions and for the phaseout of personal exemptions. Also, the maximum amount of earnings subject to self-employment social security tax increased based on the percentage change in average covered earnings.

Individual retirement arrangement deduction—For 2008, a taxpayer (or both taxpayers for taxpayers filing jointly) may have been able to take a deduction for an IRA contribution up to \$5,000 (\$6,000 if age 50 or older). Taxpayers not covered by a retirement plan may have been able to deduct all contributions. The phase-out range for deductible

IRA contributions for those covered by a retirement plan began at income of \$85,000, if married filing jointly or a qualifying widow(er), up from \$83,000 in 2007. The phaseout was \$53,000 for single person or head of household, up from \$52,000 in 2007, and at \$0 for a married person filing a separate return. A taxpayer may have been able to deduct an additional \$3,000 if he or she were a participant in a 401(k) plan and his or her employer was in bankruptcy in an earlier year.

Limit on itemized deductions increased

Taxpayers who had adjusted gross income above \$159,950 (\$79,975, if married filing separately) could have lost part of their deduction for itemized deductions. This was an increase from 2007 amounts of \$156,400 (\$78,200, if married filing separately). For Tax Year 2008, the amount by which the deduction was reduced was one-third of the amount of the reduction that would have otherwise applied for 2005 and previous years. For Tax Years 2007 and 2006, the amount by which the deduction was reduced was two-thirds of the amount of the reduction that would have otherwise applied for 2005 and previous years.

Qualified dividends and net capital gain—For Tax Year 2008, the 5-percent tax rate on qualified dividends and net capital gain for taxpayers whose marginal tax rate on ordinary income was 10 percent or 15 percent was reduced to zero. For 2008, 10.9 million taxpayers had a total of \$48.9 billion in this rate.

Real estate tax and net disaster loss deduction—New for 2008, taxpayers could increase their standard deduction by a limited amount of their State and local real estate taxes and their net disaster loss. Taxpayers could have increased their standard deduction by the State and local real estate taxes paid, up to \$500 (\$1,000, if married filing jointly). This deduction was for the real estate taxes that would have been deductible on Schedule A if the taxpayer had itemized their deductions. A taxpayer's net disaster loss was figured by taking their personal casualty losses from a Federally declared disaster minus any personal casualty gains. A total of \$12.1 billion were deducted due to the addition of these two new provisions. Most of this (\$11.3 billion) was deducted by 15.7 million taxpayers for real estate taxes paid.

Recovery rebate credit—A taxpayer was able to take this credit only if he or she had not received an economic stimulus payment in Tax Year 2007 or if

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his or her economic stimulus payment was less than \$600 (\$1,200, if married filing jointly) plus \$300 for each qualifying child the taxpayer had for 2008. This credit was figured like the economic stimulus payment the previous year, except the amounts were based on Tax Year 2008 instead of Tax Year 2007. The maximum credit was \$600 (\$1,200, if married filing jointly) plus \$300 for each qualifying child.

Residential energy credit—The credit for nonbusiness energy property expired and did not apply for 2008.

Standard deduction amount increased—The standard deduction for people who did not itemize deductions on Schedule A of Form 1040 was, in most cases, higher for 2008 than it was in 2007. The amount depended on filing status, being 65 or older or blind, and whether an exemption could be claimed for a taxpayer by another person. For 2008, the standard deduction increased to \$10,900 for joint filers, up from \$10,700 in 2007. For single filers and married filing separately the deduction amount increased by \$100 to \$5,450. For heads of households, the deduction was \$8,000 (\$150 higher than in 2007). In addition, the additional standard deduction for being 65 or older or blind was increased by \$50 per taxpayer for single and head of household filers only. As mentioned above, the standard deduction could be increased by a limited amount of real estate taxes paid and certain net casualty losses.

Tax on child's investment income—New for 2008, Form 8615, in addition to being used to figure the tax of certain children who are under 18, was required to figure the tax for a child with investment income of more than \$1,800 if the child:

- (1) Was age 18 at the end of 2008 and did not have earned income that was more than half of the child's support, or
- (2) Was a full-time student over age 18 and under age 24 at the end of 2008 and did not have earned income that was more than half of the child's support.

Income and Tax Concepts

As discussed in the *Income Tax Structure* section, gross income is all income received that is not specifically excluded. Total income is the net amount of

Figure G

Components of the 1979 Income Concept, Tax Year 2008

Income or Loss:

- Salaries and wages [1]
- Interest [1]
- Dividends [1]
- Taxable refunds [1]
- Alimony received [1]
- Capital gain distributions not reported on Schedule D [1]
- Capital gains reported on Schedule D minus allowable losses [1]
- Other gains and losses (Form 4797) [1]
- Business net income or loss [1]
- Farm net income or loss [1]
- Rent net income or loss [1]
- Royalty net income or loss [1]
- Partnership net income or loss [1]
- S Corporation net income or loss [1]
- Farm rental net income or loss [1]
- Estate or trust net income or loss [1]
- Unemployment compensation [1]
- Depreciation in excess of straight-line depreciation [2]
- Total pension income [3], [4]
- Other net income or loss [5]
- Net operating loss [1]

Deductions:

- Disallowed passive losses (Form 8582) [6]
- Moving expenses [1]
- Alimony paid [1]
- Unreimbursed business expenses [6]

[1] Included in adjusted gross income (less deficit) (AGI) for Tax Year 2008.

[2] Adjustment to add back excess depreciation (accelerated over straight-line depreciation) deducted in the course of a trade or business and included in net income (loss) amounts shown above.

[3] Includes taxable and tax-exempt pension and retirement distributions, including IRA distributions.

[4] Not fully included in AGI for Tax Year 2008.

[5] Includes an adjustment to add back amounts reported for the "foreign-earned income exclusion."

[6] Not included in AGI for Tax Year 2008.

gross income after certain expenses (i.e., business or rent and royalty expenses) have been deducted. Adjusted gross income (AGI) is total income less statutory adjustments to income (i.e., deductible contributions to an IRA or Keogh plan).

1979 Income Concept

To analyze changes in income and taxes over a period of years, a consistent definition of income should be used. Because the components of AGI may vary from year to year as the law changes, the "1979 Income Concept" was developed to provide a more uniform measure of income across tax years. By including the same income and deduction items in each year's income calculation and using only

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Figure H

Income Tax Calculation for a Single Taxpayer With One Exemption Who Used the Standard Deduction, Tax Year 2008

[Money amounts are in dollars]

Item	Amount
Adjusted gross income	410,000
Less: Exemption	[1] 2,333
Standard deduction	5,450
Equals: Taxable income	402,217
Tax based on tax rates for single taxpayers:	
First \$8,025 taxed at 10 percent	803
Next \$24,525 taxed at 15 percent	3,679
Next \$46,300 taxed at 25 percent	11,575
Next \$85,700 taxed at 28 percent	23,996
Next \$193,150 taxed at 33 percent	63,740
Next \$44,517 taxed at 35 percent	15,581
Total tax from tax rate schedule	119,373

[1] The exemption amount was limited to \$2,333 because AGI exceeded \$282,450.

items available on Federal individual income tax returns, the definition of the 1979 Income Concept is consistent throughout the base years and can be used for future years to compare income by including only income components common to all years. Tax Years 1979 through 1986 were used as base years in identifying the income and deduction items included in this concept. The 1979 Income Concept applied to 2008 includes many income and deduction items that are also components of AGI (Figure G). However, unlike AGI, the 1979 Income Concept also includes some nontaxable (i.e., tax-exempt) amounts of income reported on individual income tax returns and disallowed passive loss deductions. In addition, only straight-line deductions for depreciation are included in the 1979 Income Concept.¹⁷

Modified Taxable Income

This concept is relevant only for “prior-year returns” (about 4.3 million returns) or certain farm sole proprietor returns using income-averaging on Schedule J (about 82 thousand returns) or those returns with foreign-earned income having to use a worksheet to determine their taxes (about 171.6 thousand returns). For all other returns, modified taxable income is identical to taxable income.

This is the term used in the statistics to describe “income subject to tax,” the actual base on which tax

is computed. Each year, a small number of returns for prior tax years are filed during the same calendar year in which the tax returns for the current tax year are being selected for the *Statistics of Income* sample. Some of these returns are selected for the sample and act as proxies for returns for the current tax year that will be filed during a later calendar year. The tax on these returns is based on a previous year’s tax law (which may reflect different tax rates and income concepts). For the statistics in this article, the taxable incomes reported on these prior-year returns and those filed with a Schedule J or foreign-earned income are modified to equal an amount necessary to generate the tax actually shown on these returns using current-year rates.

Marginal Tax Rates

Under the progressive U.S. income tax rate structure, different portions of taxable income are taxed at different rates. Figure H illustrates how income tax is determined for a single taxpayer with AGI of \$410,000 who used the standard deduction. As shown in the example, six different tax rates were applied to the taxable income to arrive at total tax. The first \$8,025 of taxable income were taxed at the 10-percent rate; the next \$24,525 of taxable income were taxed at the 15-percent rate; the next \$46,300 were taxed at the 25-percent rate; the next \$85,700 were taxed at the 28-percent rate; the next \$193,150 were taxed at the 33-percent rate; and the remaining \$44,517 were taxed at the 35-percent rate. For purposes of this article, the tax rate applied to the last dollar of income (given certain assumptions about which source of income provided the last dollar of income subject to tax) is the marginal tax rate for that return. In the example, the marginal tax rate is 35 percent.

Since the individual income tax structure includes various types of income, deductions, exclusions, credits, and taxes that are not subject to the same treatment under tax laws, the marginal tax rate is not always apparent. For instance, investment income of a dependent under age 18 in excess of a specific amount is treated differently than salaries and wages of the same dependent (see changes in law section on tax on child’s investment income). The investment income in excess of \$1,800 was taxed

¹⁷ For more details on the income computation under the 1979 Income Concept for 2008, see *Individual Income Tax Returns 2008*, Statistics of Income Division, Internal Revenue Service, Publication 1304.

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at the marginal tax rate of the parents, whereas the salaries and wages were taxed at the dependent's own rate.

Calculating marginal tax rates for a specific individual income tax return generally depends both on the types and amounts of income reported and the assumptions made about the order in which the income is taxed, in particular, which type of income is assumed to be received "last." Additional complexity is added by the presence of such items as the alternative minimum tax and various tax credits.

For this article, it is assumed that the income taxed at the marginal (highest) rate was the "last" income received. The alternative minimum tax and income tax credits, such as the earned income credit, are excluded in determining the marginal tax rates. The marginal tax rate is defined as follows:

- (1) If a return showed taxable income, the marginal tax rate of the return was the highest rate at which any amount of taxable income reported on the return was taxed.
- (2) If the return had no taxable income except for net long-term capital gains or qualified dividends and that amount was less than or equal to the 15-percent tax bracket limit, the return was defined as having an "0-percent" marginal tax rate. If the return had taxable income (from other than net long-term capital gains) to which only the 15-percent tax rate applied, as well as net long-term capital gains to which the 25-percent rate on the net gain applied, the return was defined as having a marginal tax rate equal to the maximum rate at which the net gains were taxed. If the return had taxable income (from other than net long-term capital gains) to which the 25-percent tax rate applied as the highest rate, as well as net long-term capital gains to which the maximum 28-percent rate on net gain applied, the return was defined as having a "28-percent" marginal tax rate. However, if the return had taxable income (from other than net long-term capital gains) above the maximum amount to which the 25-percent applied, as well as net long-term

capital gains to which the 28-percent rate on the net gain applied, the return was classified as having the highest rate at which any amount of taxable income reported on the return was taxed.

- (3) For returns of dependents with a Form 8615 attached when the use of this form resulted in the taxation of some of the dependent's income as if it were that of the parents, the return was classified as having a "Form 8615" marginal tax rate (the returns in the Form 8615 classification are not distributed by tax rate).
- (4) For returns of parents choosing to report interest, dividend, and capital gain distribution income of their dependents under age 18 (or under 24 if students) on their own (i.e., the parents') return using Form 8814, when the dependent's income generated the only tax liability on the parent's return, the return was classified with a "Form 8814" marginal tax rate of 10 percent.

The classification of returns into marginal tax rate categories for Statistics of Income purposes was essentially a function of filing status, size of taxable income, presence of net long-term capital gains (in excess of net short-term capital losses) and/or qualified dividends, and presence of Form 8615 or Form 8814. Returns were classified into 1 of the following 12 mutually exclusive marginal tax rate categories: (1) 0-percent rate (capital gains); (2) 10-percent rate; (3) Form 8814 (10-percent rate with no tax liability other than that generated by the dependent's income); (4) 15-percent rate; (5) 15-percent (capital gains); (6) 25-percent rate; (7) 25-percent (capital gains); (8) 28-percent rate; (9) 28-percent (capital gains); (10) 33-percent rate; (11) 35-percent rate; and (12) Form 8615 (with income taxed at any rate).¹⁸ Table 1 presents statistics by marginal tax rate classification and filing status for returns with modified taxable income. For each marginal rate classification, modified taxable income and "income tax generated" were computed "at all rates" and "at marginal rate." The "at all rates" computations (columns 3

¹⁸ For some taxpayers, the statutory marginal tax rate may differ from the effective marginal tax rate. For example, extra income received by certain taxpayers may result in the partial phaseout of their personal exemptions as well as some of their itemized deductions. Therefore, an extra \$1 of income could add more than \$1 of taxable income. While this taxpayer could face a statutory marginal tax rate of 35 percent, the effective marginal rate faced by the taxpayer would be somewhat higher.

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and 5) show the total amount of modified taxable income or tax generated, tabulated by the marginal tax rate specified; each tax rate classification is mutually exclusive. The “at marginal rate” computations (columns 4 and 6) report the specific amounts of modified taxable income taxed and the tax generated at the marginal tax rate shown, for all returns in each of the marginal rate classifications. The alternative minimum tax was not included in the statistics by marginal tax rate.

For example, consider returns in the “joint returns and returns of surviving spouses” filing status that were included in the “35-percent” marginal tax rate classification. The total modified taxable income for the estimated 817,167 returns in this classification “at all rates” was \$946.2 billion (column 3), and the total tax generated was \$279.9 billion (column 5). Approximately \$512.4 billion (column 4) of the modified taxable income were subject to tax at the marginal tax rate of 35 percent. This modified taxable income generated \$179.3 billion (column 6) in tax at the 35-percent tax rate, with the remainder generated at some or all of the lower eight tax rates.

Table 2 provides statistics on the tax generated, in total and at each tax rate bracket, for returns with modified taxable income. Returns in this table are classified by size of AGI. The tax generated at each tax rate was computed based on the modified taxable income for each individual return.

For example, the 3.5 million returns included in the “\$200,000 under \$500,000” income-size classification showed total modified taxable income of \$790.8 billion and generated total tax of \$184.1 billion. Of this \$790.8 billion of modified taxable income, \$51.1 billion were taxed at 10 percent (ordinary tax rate); \$154.5 billion were taxed at 15 percent (ordinary tax rate); \$207.5 billion were taxed at 25 percent (ordinary tax); \$178.5 billion were taxed at 28 percent (ordinary tax); \$125.7 billion were taxed at 33 percent; and \$9.7 billion were taxed at 35 percent. Approximately \$4.3 billion were taxed at the 0-percent (capital gains) rate; \$57.2 billion were taxed at the 15-percent capital gain and qualified dividend rate; \$1.4 billion were taxed at the 25-percent capital gain rate; \$0.2 billion were taxed at the 28-percent capital gain rate, with the remainder from tax related to Forms 8814 and 8615.

Figure I

Calculation of Alternative Minimum Taxable Income (AMTI), Tax Year 2008

	Taxable income before deduction for personal exemptions
PLUS:	Adjustments and preferences (see Figure J)
PLUS:	Net operating loss deduction
MINUS:	Overall itemized deductions limitation
MINUS:	Alternative tax net operating loss deduction [1]
EQUALS:	Alternative minimum taxable income

[1] Limited to 90 percent of AMTI, except when depletion is present on Form 6251. In this case, AMTI is recalculated, and the alternative tax net operating loss deduction is limited to 90 percent of the recalculated amount.

Table 3 presents statistics on the income and tax generated at each tax rate by filing status, for returns with modified taxable income. More than 0.8 million of the 45.2 million jointly filed returns (including surviving spouses) with modified taxable income had some income taxed at the 35-percent tax rate. For these returns, the taxable income subject to this rate was \$512.4 billion, and the tax generated was \$179.3 billion.

Computation of Alternative Minimum Taxable Income (AMTI)

AMTI was computed by adding certain “tax preferences” (i.e., deduction or exclusion amounts identified as potential sources of tax savings disallowed for AMT purposes) and “adjustments” (i.e., regular tax deduction amounts recomputed or excluded for AMT purposes) to taxable income before any deductions were taken for personal exemptions (Figures I and J). Although itemized deductions for some taxpayers were limited for regular tax purposes, the full amounts of such itemized deductions were included as adjustments. To compensate for this, the overall limitation on itemized deductions was then subtracted from taxable income for AMT purposes. The “net operating loss deduction” was recomputed to allow for the exclusion of the “tax preference items” and “adjustments” used to reduce regular tax liability. The recomputed net operating loss deduction, termed the “alternative net operating loss deduction,” was limited to 90 percent of AMTI (with certain minor exceptions for 2008).

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Figure J

Alternative Minimum Tax Adjustments and Preferences, Tax Year 2008

- Medical and dental expenses from Schedule A (the lesser of deductible medical and dental expenses or 2.5 percent of AGI)
- Deductions for State and local income, sales, real estate, personal property, and foreign taxes
- Mortgage interest adjustment on the worksheet from the Form 6251 instructions
- Miscellaneous itemized deductions subject to the 2-percent-of-AGI limitation
- Itemized deduction limitation on the worksheet from the Schedule A instructions
- If standard deduction is claimed, amount from Form 4684, line 18a as a negative amount
- Refunds of State and local income, sales, real estate, personal property, and foreign taxes previously deducted (negative)
- Investment interest expense (the result could be negative)
- Excess of percentage depletion deduction for sections 611 and 613 property over the adjusted basis (the result could be negative)
- Deduction for net operating loss from Form 1040
- Tax-exempt interest from private activity bonds issued after August 7, 1986
- Excluded gain, under the section 1202 gain on qualified small business stock held more than 5 years, multiplied by 7% if sold after May 5, 2003, otherwise multiplied by 42%
- Incentive stock options which were exercised after 1987 (the amount by which the value of the option when exercised exceeded the price paid by the taxpayer; the result could be negative)
- Difference between income distributions to beneficiaries of estates and trusts for regular tax purposes and the amounts refigured for AMT purposes (the result could be negative)
- Electing large partnerships, enter the amount from Schedule K-1 (Form 1065-B), box 6.
- Adjustment of gain or loss on property, the basis of which was affected by accelerated depreciation or rapid amortization and which was reduced for AMT purposes (the result could be negative)
- Excess of depreciation on property placed in service after 1986 over less liberal methods allowed for alternative minimum tax (AMT) purposes (straight-line or 150-percent declining balance method, depending on the type of property; the result could be negative)
- Passive activity gains and losses allowed for regular tax purposes for activities acquired before October 23, 1986, taking into account AMT adjustments and preference items and any AMT prior-year unallowed losses (the result could be negative)
- Adjustment for refigured loss from activities in which allowable losses from partnerships or S Corporations were limited by "at-risk" and other rules, taking into account AMT adjustments and preference items (the result could be negative)
- Excess of circulation expenditures paid or incurred after 1986 over allowable amortization if the expenditures were capitalized (the result could be negative)
- Deferred income from long-term contracts entered into after February 28, 1986, with certain exceptions and limitations (the result could be negative)
- Excess of mining exploration and development costs paid or incurred after 1986 over allowable amortization if the expenditures were capitalized (the result could be negative)
- Excess of research and experimental expenditures paid or incurred after 1986 over allowable amortization if the expenditures were capitalized (the result could be negative)
- Adjustment from disallowing the installment sales method of accounting for sales of inventory and stock in trade after March 1, 1986, with certain exceptions (the result is negative)
- Amount by which excess intangible drilling costs deducted currently over allowable amortization (if these costs were capitalized) was more than 65 percent of the taxpayer's "net income" from oil, gas, and geothermal wells, with exceptions for independent oil producers and royalty owners
- Excess of accelerated depreciation on property placed in service using pre-1987 rules over straight-line depreciation as refigured for AMT purposes
- Adjustment for taxable distributions received from a cooperative (total AMT patronage dividend and per-unit retain allocation adjustment)
- Excess of rapid amortization of pollution control facilities placed in service after 1986 over otherwise allowable depreciation (the result could be negative)
- Adjustment for charitable contributions of certain property for which section 170(e) of the Internal Revenue Code applies
- Adjustment for alcohol fuel credit included in taxable income (the amount is included as a negative)
- Adjustment for refigured tax shelter farm losses, taking into account AMT adjustments and preference items (the result could be negative)
- Related adjustments, refigured for AMT purposes, including section 179 expense deduction, expenses for business or rental use of the home, conservation expenses, taxable IRA distributions, self-employed health insurance deduction, Keogh retirement plan or self-employed SEP deduction, and IRA deductions (the result could be negative)
- Deduction for alternative tax net operating loss

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AMTI was reduced by an exemption amount which depended on the filing status of the individual and which was subject to phaseout at higher AMTI levels. The AMT-exemption for single filers (and heads of households) for 2008 was \$46,200; for joint filers and surviving spouses, \$69,950; and for married persons filing separately, \$34,975. The exemption was reduced (but not below zero) by 25 percent of the amount by which the AMTI exceeded threshold levels of \$112,500 for single filers and heads of households, \$150,000 for joint filers, and \$75,000 for married persons filing separately. The exemption was phased out completely for individuals whose filing status was single or head of household, married filing jointly, and married filing separately, at \$297,300, \$429,800, and \$214,900, of AMTI, respectively.

After reduction by the exemption, the first \$175,000 (\$87,500, if married filing separately) of the remaining AMTI was subject to tax at a 26-percent rate, with any excess taxed at a 28-percent rate. However, capital gains and qualified dividends (recalculated for AMT purposes) that were taxed at lower rates (0 percent, 15 percent, and 25 percent) were taxed at these same rates for the AMT, with the rest of AMTI being taxed at the rates mentioned above (26 percent or 28 percent). The resulting tax was reduced by the “alternative minimum tax foreign tax credit,” which produced a “tentative minimum tax.” Tentative minimum tax was further reduced by the individual’s regular tax before credits (excluding tax on lump-sum distributions from qualified retirement plans) less the foreign tax credit (for regular tax purposes) to yield the alternative minimum tax.

Dependents under the age of 18 and certain children under 24 with investment income over a certain amount who filed their own returns were subject to special rules for AMT purposes. These rules required that the dependents pay the same amount of AMT as their parents would have paid if

the parents included the dependents’ incomes on their own tax returns. (Dependents filing their own returns were limited to an AMT exemption of \$6,400 plus their “earned incomes.”) The dependent’s AMT could be reduced if the parents had regular tax greater than the child’s own tentative minimum tax, or if any other dependent under age 18 and certain children under 24, of the same parents had regular tax greater than this dependent’s own tentative minimum tax.)

Data Sources and Limitations

These statistics are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ, including electronically filed returns) filed during Calendar Year 2008. Returns in the sample were stratified based on: (1) the larger of positive income or negative income (absolute value); (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the usefulness of returns for tax policy modeling purposes.¹⁹ Returns were then selected at rates ranging from 0.10 percent to 100 percent. The 2008 data are based on a sample of 328,630 returns and an estimated final population of 142,580,866 returns.²⁰ The corresponding sample and population for the 2007 data were 336,226 and 153,832,380 returns, respectively.

Since the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known; coefficients of variation (CVs) are used to measure that magnitude. Figure K shows estimated CVs for the numbers of returns and money amounts for selected income items. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in SOI Sampling Methodology and Data Limitations, later in this issue of the *SOI Bulletin*.

¹⁹ Returns in the sample were stratified based on the presence or absence of one or more of the following forms or schedules: Form 2555, *Foreign Earned Income*; Form 1116, *Foreign Tax Credit (Individual, Fiduciary, or Nonresident Alien Individual)*; Schedule C, *Profit or Loss from Business (Sole Proprietorship)*; and Schedule F, *Profit or Loss From Farming*.

²⁰ This population includes an estimated 130,297 returns that were excluded from other tables in this report because they contained no income information or represented amended or tentative returns identified after sampling or were filed to receive a stimulus payment only.

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Figure K

Coefficients of Variation for Selected Items, by Size of Adjusted Gross Income, Tax Year 2008

[Coefficients of variation are percentages]

Size of adjusted gross income	Modified taxable income		Tax generated	Income tax after credits	Total income tax
	Number of returns	Amount			
	(1)	(2)	(3)	(4)	(5)
Total	0.13	0.11	0.14	0.15	0.15
Under \$2,000 [1]	6.33	7.59	10.97	12.66	12.66
\$2,000 under \$4,000	4.87	5.85	7.64	7.75	7.75
\$4,000 under \$6,000	3.96	6.53	8.43	8.30	8.30
\$6,000 under \$8,000	2.88	3.33	3.74	3.64	3.64
\$8,000 under \$10,000	2.37	3.13	3.31	3.58	3.58
\$10,000 under \$12,000	1.96	2.39	2.55	3.26	3.26
\$12,000 under \$14,000	1.89	2.09	2.16	2.76	2.76
\$14,000 under \$16,000	1.82	1.99	2.04	2.56	2.56
\$16,000 under \$18,000	1.78	1.95	2.01	2.42	2.42
\$18,000 under \$20,000	1.67	1.88	1.93	2.27	2.27
\$20,000 under \$25,000	1.01	1.15	1.19	1.43	1.43
\$25,000 under \$30,000	1.02	1.14	1.19	1.44	1.44
\$30,000 under \$40,000	0.75	0.82	0.85	0.99	0.99
\$40,000 under \$50,000	0.82	0.87	0.91	1.03	1.03
\$50,000 under \$75,000	0.49	0.53	0.57	0.64	0.64
\$75,000 under \$100,000	0.75	0.76	0.80	0.85	0.85
\$100,000 under \$200,000	0.52	0.53	0.55	0.57	0.57
\$200,000 under \$500,000	0.66	0.63	0.65	0.64	0.64
\$500,000 under \$1,000,000	1.02	0.93	0.95	0.95	0.95
\$1,000,000 under \$1,500,000	1.26	1.24	1.29	1.28	1.28
\$1,500,000 under \$2,000,000	0.95	0.97	1.01	1.01	1.01
\$2,000,000 under \$5,000,000	0.55	0.49	0.52	0.52	0.52
\$5,000,000 under \$10,000,000	0.62	0.55	0.58	0.58	0.58
\$10,000,000 or more	0.03	0.03	0.04	0.04	0.04

[1] Includes returns with adjusted gross deficit.

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Table 1. Returns with Modified Taxable Income [1]: Tax Classified, by Marginal Tax Rate and by Filing Status, Tax Year 2008

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

Filing status and tax rate classes	Classified by the highest marginal rate at which tax was computed								
	Number of returns [1]	Adjusted gross income less deficit	Modified taxable income		Tax generated		Income tax after credits		
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percentage of	Adjusted gross income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns									
All tax rates	107,978,328	8,093,076,552	5,652,315,095	2,046,891,720	1,081,295,469	478,300,465	1,030,655,661	12.7	18.2
0 percent	828,798	22,915,672	5,641,894	5,641,894	0	0	148,457	0.6	2.6
5 percent	36,171	1,259,347	401,369	401,369	20,069	20,068	16,602	1.3	4.1
10 percent	26,189,462	565,497,651	144,416,442	136,437,399	13,653,580	13,643,740	5,919,138	1.0	4.1
10 percent (Form 8814)	19,088	-524,478	24,916	24,916	2,492	2,492	16,026	[2]	64.3
15 percent	42,389,614	1,962,985,646	1,163,636,276	668,520,114	149,790,612	100,278,017	117,735,391	6.0	10.1
15 percent (capital gains)	7,742,786	675,103,183	453,870,406	160,333,697	57,572,176	24,050,055	55,453,172	8.2	12.2
25 percent	23,286,637	2,216,657,113	1,644,133,455	297,322,950	278,040,704	74,330,738	268,533,250	12.1	16.3
25 percent (capital gains)	184,687	37,756,328	31,530,529	3,471,712	5,349,787	867,928	5,526,962	14.6	17.5
28 percent	4,257,855	764,733,160	610,072,127	50,520,245	127,944,621	14,145,669	130,767,219	17.1	21.4
28 percent (capital gains)	18,108	4,739,812	3,766,145	1,312,718	794,906	367,561	848,780	17.9	22.5
33 percent	1,669,518	543,141,242	451,864,124	96,582,283	109,741,449	31,872,153	115,750,421	21.3	25.6
35 percent	971,510	1,293,677,931	1,138,591,766	622,765,389	337,546,859	217,967,886	329,149,724	25.4	28.9
Form 8615	384,095	5,133,946	4,365,648	3,557,032	838,213	754,158	790,520	15.4	18.1
Joint returns and returns of surviving spouses									
All tax rates	45,204,538	5,386,905,509	3,847,280,164	1,340,997,213	763,782,397	333,421,609	733,923,399	13.6	19.1
0 percent	234,579	12,530,498	2,855,345	2,855,345	0	0	90,076	0.7	3.2
5 percent	9,742	588,914	208,845	208,845	10,442	10,442	6,905	1.2	3.3
10 percent	7,302,369	253,435,928	62,871,000	57,382,709	5,743,441	5,738,271	2,478,179	1.0	3.9
10 percent (Form 8814)	9,774	-534,247	15,310	15,310	1,531	1,531	15,815	[2]	103.3
15 percent	16,780,527	1,127,331,206	660,015,641	390,662,362	85,535,078	58,599,354	65,448,553	5.8	9.9
15 percent (capital gains)	4,965,323	510,399,043	342,104,640	114,679,538	43,555,292	17,201,931	41,538,620	8.1	12.1
25 percent	11,225,922	1,419,016,243	1,035,853,564	157,991,826	173,390,552	39,497,957	166,567,592	11.7	16.1
25 percent (capital gains)	115,061	27,423,808	22,753,447	2,484,016	3,851,472	621,004	4,012,544	14.6	17.6
28 percent	2,441,704	520,139,763	409,105,948	26,241,649	84,156,940	7,347,662	86,353,665	16.6	21.1
28 percent (capital gains)	9,320	3,082,397	2,400,211	810,298	498,757	226,883	542,410	17.6	22.6
33 percent	1,293,050	438,740,250	362,862,114	75,314,325	87,182,436	24,853,727	92,472,714	21.1	25.5
35 percent	817,167	1,074,751,706	946,234,100	512,350,991	279,856,455	179,322,847	274,396,326	25.5	29.0
Form 8615	0	0	0	0	0	0	0	0.0	0.0
Returns of married persons filing separately									
All tax rates	2,275,910	158,872,871	117,288,222	54,204,380	24,714,758	14,239,655	23,502,124	14.8	20.0
0 percent	6,688	278,927	81,292	81,292	0	0	9,488	3.4	11.7
5 percent	* 652	* 13,172	* 33	* 33	**	**	**	[2]	[2]
10 percent	325,213	5,657,362	1,393,503	1,356,903	** 135,707	** 135,692	** 89,276	1.6	6.4
10 percent (Form 8814)	* 674	* -26,045	* 604	* 604	* 60	* 60	* 212	[2]	* 35.1
15 percent	1,059,758	34,662,822	20,641,507	12,136,948	2,671,013	1,820,542	2,284,839	6.6	11.1
15 percent (capital gains)	85,569	11,778,962	8,264,596	6,174,138	1,153,139	926,121	1,221,119	10.4	14.8
25 percent	565,635	34,958,744	25,977,540	5,568,540	4,370,077	1,392,135	4,263,512	12.2	16.4
25 percent (capital gains)	4,128	856,426	768,137	82,502	125,799	20,626	133,815	15.6	17.4
28 percent	138,403	14,475,919	11,545,381	1,439,542	2,382,532	403,072	2,444,858	16.9	21.2
28 percent (capital gains)	* 717	* 129,448	* 109,963	* 23,380	* 22,817	* 6,546	* 24,850	* 19.2	* 22.6
33 percent	54,607	9,750,037	8,096,977	1,715,682	1,927,652	566,175	2,017,161	20.7	24.9
35 percent	33,864	46,337,097	40,408,689	25,624,818	11,925,960	8,968,686	11,012,995	23.8	27.3
Form 8615	0	0	0	0	0	0	0	0.0	0.0

Footnotes at end of table.

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Table 1. Returns with Modified Taxable Income [1]: Tax Classified, by Marginal Tax Rate and by Filing Status, Tax Year 2008—Continued

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

Filing status and tax rate classes	Classified by the highest marginal rate at which tax was computed								
	Number of returns [1]	Adjusted gross income less deficit	Modified taxable income		Tax generated		Income tax after credits		
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percentage of	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Returns of heads of households									
All tax rates	13,612,171	589,358,159	316,316,689	141,658,936	49,686,348	25,068,019	38,846,395	6.6	12.3
0 percent	10,198	498,220	142,386	142,386	0	0	4,469	0.9	3.1
5 percent	* 381	* 45,654	* 4,315	* 4,315	* 216	* 216	* 98	* 0.2	* 2.3
10 percent	5,874,894	139,608,134	31,509,745	31,303,847	3,131,151	3,130,385	264,414	0.2	0.8
10 percent (Form 8814)	7,184	34,592	7,229	7,229	723	723	0	[2]	[2]
15 percent	5,908,726	250,001,479	135,536,789	67,869,884	16,947,334	10,180,483	9,928,467	4.0	7.3
15 percent (capital gains)	290,037	19,902,145	12,846,179	4,433,391	1,606,781	665,009	1,422,936	7.1	11.1
25 percent	1,343,607	117,966,589	84,592,606	20,019,793	14,394,523	5,004,948	13,691,757	11.6	16.2
25 percent (capital gains)	4,034	782,873	663,315	91,791	117,520	22,948	118,975	15.2	17.9
28 percent	109,511	19,951,606	15,666,664	1,537,098	3,396,957	430,387	3,663,248	18.4	23.4
28 percent (capital gains)	321	207,637	163,460	52,831	34,657	14,793	35,420	17.1	21.7
33 percent	43,947	13,554,371	11,312,480	2,530,139	2,830,272	834,946	3,030,517	22.4	26.8
35 percent	19,331	26,804,860	23,871,520	13,666,231	7,226,214	4,783,181	6,686,096	24.9	28.0
Form 8615	0	0	0	0	0	0	0	0.0	0.0
Returns of single persons									
All tax rates	46,885,709	1,957,940,013	1,371,430,020	510,031,190	243,111,965	105,571,185	234,383,743	12.0	17.1
0 percent	577,332	9,608,027	2,562,871	2,562,871	0	0	44,424	0.5	1.7
5 percent	25,395	611,607	188,177	188,177	9,409	9,409	9,597	1.6	5.1
10 percent	12,686,986	166,796,226	48,642,193	46,393,940	4,643,283	4,639,394	3,087,272	1.9	6.3
10 percent (Form 8814)	* 1,456	* 1,223	* 1,773	* 1,773	* 177	* 177	[3]	[2]	[2]
15 percent	18,640,602	550,990,140	347,442,339	197,850,920	44,637,187	29,677,638	40,073,532	7.3	11.5
15 percent (capital gains)	2,401,857	133,023,032	90,654,990	35,046,630	11,256,964	5,256,995	11,270,497	8.5	12.4
25 percent	10,151,472	644,715,537	497,709,744	113,742,792	85,885,552	28,435,698	84,010,390	13.0	16.9
25 percent (capital gains)	61,464	8,693,221	7,345,630	813,402	1,254,994	203,351	1,261,628	14.5	17.2
28 percent	1,568,237	210,165,873	173,754,134	21,301,956	38,008,192	5,964,548	38,305,447	18.2	22.0
28 percent (capital gains)	7,750	1,320,330	1,092,512	426,210	238,675	119,339	246,101	18.6	22.5
33 percent	277,915	81,096,583	69,592,552	17,022,138	17,801,090	5,617,306	18,230,028	22.5	26.2
35 percent	101,149	145,784,268	128,077,457	71,123,349	38,538,229	24,893,172	37,054,306	25.4	28.9
Form 8615	384,095	5,133,946	4,365,648	3,557,032	838,213	754,158	790,520	15.4	18.1

* Estimate should be used with caution because of the small number of sample returns on which it is based.

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

[1] For definition of modified taxable income, see section 4 in *2008 Individual Income Tax Returns publication 1304*.

[2] Percentage not computed.

[3] Less than \$500.

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

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Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008

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

Size of adjusted gross income	Number of returns	Taxable income	Modified taxable income	Tax generated at all rates	Tax generated at a specific rate	
					0 percent	
					Number of returns	Income taxed at rate
	(1)	(2)	(3)	(4)	(5)	(6)
Total	107,978,328	5,652,901,768	5,652,315,095	1,081,295,469	10,897,964	48,940,232
Under \$2,000	217,955	94,544	95,996	4,553	136,875	45,093
\$2,000 under \$4,000	365,765	472,070	482,314	46,472	117,021	75,045
\$4,000 under \$6,000	587,434	565,916	601,058	68,738	81,676	49,002
\$6,000 under \$8,000	1,137,799	1,881,438	1,895,246	187,187	89,693	71,543
\$8,000 under \$10,000	1,651,758	3,288,185	3,298,111	330,361	76,546	55,484
\$10,000 under \$12,000	2,342,620	6,184,418	6,194,073	618,635	170,179	131,353
\$12,000 under \$14,000	2,542,013	10,175,724	10,198,127	1,008,780	199,567	226,176
\$14,000 under \$16,000	2,747,013	14,294,811	14,318,129	1,419,491	214,975	306,389
\$16,000 under \$18,000	2,880,415	18,728,102	18,767,685	1,892,034	217,907	359,307
\$18,000 under \$20,000	3,266,667	23,768,267	23,797,888	2,532,470	219,471	394,534
\$20,000 under \$25,000	8,354,766	77,438,957	77,513,521	8,784,435	650,162	1,085,295
\$25,000 under \$30,000	8,078,487	104,419,992	104,479,673	12,351,214	688,713	1,396,610
\$30,000 under \$40,000	14,031,669	263,132,643	263,366,028	32,408,731	1,491,780	3,566,375
\$40,000 under \$50,000	10,881,138	289,669,727	289,954,115	37,948,614	1,281,145	3,871,754
\$50,000 under \$75,000	19,044,011	748,727,969	749,175,443	107,402,789	2,554,868	10,011,312
\$75,000 under \$100,000	11,672,302	688,201,008	688,421,298	102,841,250	1,869,882	10,560,919
\$100,000 under \$200,000	13,816,581	1,340,889,772	1,341,665,258	240,148,659	664,892	10,034,791
\$200,000 under \$500,000	3,466,191	790,018,151	790,767,386	184,072,786	120,848	4,332,133
\$500,000 under \$1,000,000	574,677	332,577,165	332,628,285	92,512,758	28,087	1,182,342
\$1,000,000 under \$1,500,000	139,660	146,685,193	146,620,836	42,310,594	8,257	382,677
\$1,500,000 under \$2,000,000	59,078	88,993,612	88,891,292	25,763,527	4,022	197,104
\$2,000,000 under \$5,000,000	85,689	225,389,176	224,994,383	64,697,267	7,126	366,368
\$5,000,000 under \$10,000,000	21,238	129,065,855	128,603,947	35,640,067	2,312	127,027
\$10,000,000 or more	13,403	348,239,073	345,585,002	86,304,057	1,960	111,598

Footnotes at end of table.

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Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—Continued

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

Size of adjusted gross income	Tax generated at specified rate—continued					
	5 percent			10 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(7)	(8)	(9)	(10)	(11)	(12)
Total	205,858	2,275,699	113,790	106,892,311	1,109,076,691	110,907,669
Under \$2,000	* 1,304	* 925	* 46	107,879	47,544	4,754
\$2,000 under \$4,000	* 1,978	* 3,740	* 186	293,611	264,889	26,489
\$4,000 under \$6,000	* 2,306	* 4,589	* 229	542,703	352,669	35,267
\$6,000 under \$8,000	* 3,647	* 9,629	* 482	1,126,133	1,692,294	169,229
\$8,000 under \$10,000	* 3,912	* 11,694	* 584	1,619,827	3,112,456	311,246
\$10,000 under \$12,000	* 5,550	* 11,610	* 580	2,282,810	5,892,351	589,235
\$12,000 under \$14,000	* 6,858	* 12,132	* 607	2,485,043	9,828,013	982,801
\$14,000 under \$16,000	* 3,542	* 9,345	* 468	2,701,603	13,633,799	1,363,380
\$16,000 under \$18,000	* 4,249	* 22,003	* 1,100	2,848,743	17,457,164	1,745,716
\$18,000 under \$20,000	* 3,861	* 23,057	* 1,152	3,234,074	19,574,031	1,957,403
\$20,000 under \$25,000	7,181	26,180	1,310	8,253,215	53,634,315	5,363,432
\$25,000 under \$30,000	14,203	62,680	3,134	8,028,431	62,309,008	6,230,901
\$30,000 under \$40,000	30,892	164,404	8,221	13,955,182	131,340,150	13,134,015
\$40,000 under \$50,000	15,620	82,959	4,150	10,832,691	118,904,133	11,890,413
\$50,000 under \$75,000	31,607	235,289	11,763	18,970,982	239,532,319	23,953,232
\$75,000 under \$100,000	27,241	288,758	14,439	11,622,236	164,297,557	16,429,756
\$100,000 under \$200,000	28,755	795,300	39,766	13,724,260	203,337,741	20,333,774
\$200,000 under \$500,000	9,440	352,558	17,629	3,407,780	51,142,105	5,114,211
\$500,000 under \$1,000,000	1,710	59,953	2,998	556,825	8,308,851	830,885
\$1,000,000 under \$1,500,000	690	29,700	1,485	133,286	1,983,374	198,337
\$1,500,000 under \$2,000,000	308	14,906	745	55,662	825,105	82,511
\$2,000,000 under \$5,000,000	604	32,639	1,632	79,077	1,164,861	116,486
\$5,000,000 under \$10,000,000	213	11,470	574	18,920	276,863	27,686
\$10,000,000 or more	187	10,181	509	11,339	165,099	16,510

Footnotes at end of table.

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Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—Continued

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

Size of adjusted gross income	Tax generated at specified rate—continued					
	10 percent (from Form 8814)			15 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(13)	(14)	(15)	(16)	(17)	(18)
Total	131,638	151,299	15,132	80,264,660	1,971,611,116	295,741,667
Under \$2,000	1,429	1,418	142	0	0	0
\$2,000 under \$4,000	* 1,300	* 1,757	* 176	0	0	0
\$4,000 under \$6,000	* 1,658	* 4,204	* 420	* 1,304	* 2,173	* 326
\$6,000 under \$8,000	* 1,197	* 1,077	* 108	* 674	* 4,183	* 627
\$8,000 under \$10,000	* 1,443	* 1,760	* 176	* 2,350	* 3,689	* 553
\$10,000 under \$12,000	* 1,400	* 976	* 97	* 7,624	* 12,433	* 1,865
\$12,000 under \$14,000	* 2,604	* 2,344	* 234	73,897	33,659	5,049
\$14,000 under \$16,000	* 652	* 587	* 59	171,069	258,119	38,718
\$16,000 under \$18,000	* 1,304	* 1,760	* 176	946,415	823,058	123,459
\$18,000 under \$20,000	* 2,590	* 3,494	* 349	1,822,239	3,729,798	559,470
\$20,000 under \$25,000	* 3,897	* 6,363	* 637	4,506,234	22,628,645	3,394,297
\$25,000 under \$30,000	* 2,344	* 2,109	* 211	4,864,755	40,596,508	6,089,476
\$30,000 under \$40,000	6,787	8,409	842	10,327,259	128,062,036	19,209,305
\$40,000 under \$50,000	4,397	10,110	1,011	9,730,262	156,620,417	23,493,063
\$50,000 under \$75,000	19,890	23,357	2,334	18,380,019	408,784,551	61,317,683
\$75,000 under \$100,000	19,227	23,091	2,309	11,517,788	413,447,416	62,017,112
\$100,000 under \$200,000	30,160	29,127	2,914	13,670,452	603,683,252	90,552,488
\$200,000 under \$500,000	18,615	17,585	1,760	3,391,701	154,466,462	23,169,969
\$500,000 under \$1,000,000	5,795	6,350	635	553,554	25,098,300	3,764,745
\$1,000,000 under \$1,500,000	1,973	2,082	208	132,715	5,989,710	898,457
\$1,500,000 under \$2,000,000	856	972	97	55,369	2,495,394	374,309
\$2,000,000 under \$5,000,000	1,383	1,527	153	78,810	3,530,101	529,515
\$5,000,000 under \$10,000,000	455	523	52	18,853	839,421	125,913
\$10,000,000 or more	281	318	32	11,317	501,791	75,269

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—Continued

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

Size of adjusted gross income	Tax generated at specified rate—continued					
	15 percent (capital gains)			25 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(19)	(20)	(21)	(22)	(23)	(24)
Total	12,006,157	466,964,547	70,044,999	30,355,956	871,091,740	217,772,935
Under \$2,000	0	0	0	0	0	0
\$2,000 under \$4,000	0	0	0	0	0	0
\$4,000 under \$6,000	0	0	0	0	0	0
\$6,000 under \$8,000	0	0	0	0	0	0
\$8,000 under \$10,000	0	0	0	0	0	0
\$10,000 under \$12,000	0	0	0	0	0	0
\$12,000 under \$14,000	0	0	0	0	0	0
\$14,000 under \$16,000	0	0	0	0	0	0
\$16,000 under \$18,000	0	0	0	0	0	0
\$18,000 under \$20,000	0	0	0	0	0	0
\$20,000 under \$25,000	0	0	0	0	0	0
\$25,000 under \$30,000	0	0	0	* 834	* 2,007	* 502
\$30,000 under \$40,000	1,978	7,390	1,109	13,451	83,285	20,821
\$40,000 under \$50,000	411,335	480,212	72,043	2,720,058	9,844,320	2,461,080
\$50,000 under \$75,000	1,507,035	5,224,457	783,707	6,263,571	85,051,625	21,262,906
\$75,000 under \$100,000	1,566,962	6,258,690	938,844	4,829,948	91,658,056	22,914,514
\$100,000 under \$200,000	5,448,564	36,575,197	5,486,422	12,375,750	424,686,487	106,171,622
\$200,000 under \$500,000	2,320,993	57,161,544	8,574,295	3,321,243	207,510,779	51,877,695
\$500,000 under \$1,000,000	467,536	43,291,626	6,493,756	540,886	34,073,508	8,518,377
\$1,000,000 under \$1,500,000	120,214	26,227,346	3,934,105	129,286	8,112,508	2,028,127
\$1,500,000 under \$2,000,000	52,049	18,746,808	2,812,022	54,180	3,399,825	849,956
\$2,000,000 under \$5,000,000	77,111	58,472,479	8,770,874	77,114	4,825,327	1,206,332
\$5,000,000 under \$10,000,000	19,682	43,685,989	6,552,899	18,509	1,153,450	288,363
\$10,000,000 or more	12,699	170,832,810	25,624,922	11,126	690,562	172,641

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—Continued

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

Size of adjusted gross income	Tax generated at specified rate—continued					
	25 percent (capital gains)			28 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(25)	(26)	(27)	(28)	(29)	(30)
Total	334,377	6,515,717	1,628,972	6,903,701	296,231,725	82,944,883
Under \$2,000	0	0	0	0	0	0
\$2,000 under \$4,000	0	0	0	0	0	0
\$4,000 under \$6,000	0	0	0	0	0	0
\$6,000 under \$8,000	0	0	0	0	0	0
\$8,000 under \$10,000	0	0	0	0	0	0
\$10,000 under \$12,000	0	0	0	0	0	0
\$12,000 under \$14,000	0	0	0	0	0	0
\$14,000 under \$16,000	0	0	0	0	0	0
\$16,000 under \$18,000	0	0	0	0	0	0
\$18,000 under \$20,000	0	0	0	0	0	0
\$20,000 under \$25,000	0	0	0	0	0	0
\$25,000 under \$30,000	0	0	0	0	0	0
\$30,000 under \$40,000	0	0	0	**	**	**
\$40,000 under \$50,000	* 1,002	* 8	* 2	** 97	** 83	** 24
\$50,000 under \$75,000	24,835	38,202	9,553	4,297	31,407	8,794
\$75,000 under \$100,000	32,671	74,665	18,672	301,449	1,716,138	480,519
\$100,000 under \$200,000	133,101	714,609	178,671	2,683,916	59,862,073	16,761,380
\$200,000 under \$500,000	93,943	1,401,172	350,303	3,103,825	178,486,047	49,976,093
\$500,000 under \$1,000,000	27,024	1,119,770	279,946	526,435	36,461,730	10,209,284
\$1,000,000 under \$1,500,000	8,711	664,898	166,226	125,746	8,729,724	2,444,323
\$1,500,000 under \$2,000,000	3,818	383,921	95,981	52,919	3,670,035	1,027,610
\$2,000,000 under \$5,000,000	6,106	895,123	223,781	75,748	5,249,080	1,469,742
\$5,000,000 under \$10,000,000	1,809	476,346	119,087	18,239	1,266,182	354,531
\$10,000,000 or more	1,357	747,001	186,750	11,030	759,227	212,584

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—Continued

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

Size of adjusted gross income	Tax generated at specified rate—continued					
	28 percent (capital gains)			33 percent		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(31)	(32)	(33)	(34)	(35)	(36)
Total	26,390	2,310,169	646,849	2,641,250	250,813,195	82,768,354
Under \$2,000	0	0	0	0	0	0
\$2,000 under \$4,000	0	0	0	0	0	0
\$4,000 under \$6,000	0	0	0	0	0	0
\$6,000 under \$8,000	0	0	0	0	0	0
\$8,000 under \$10,000	0	0	0	0	0	0
\$10,000 under \$12,000	0	0	0	0	0	0
\$12,000 under \$14,000	0	0	0	0	0	0
\$14,000 under \$16,000	0	0	0	0	0	0
\$16,000 under \$18,000	0	0	0	0	0	0
\$18,000 under \$20,000	0	0	0	0	0	0
\$20,000 under \$25,000	0	0	0	0	0	0
\$25,000 under \$30,000	0	0	0	0	0	0
\$30,000 under \$40,000	0	0	0	0	0	0
\$40,000 under \$50,000	0	0	0	0	0	0
\$50,000 under \$75,000	* 3,866	* 6,706	* 1,878	0	0	0
\$75,000 under \$100,000	* 2,680	* 62	* 18	311	5,415	1,787
\$100,000 under \$200,000	8,644	22,541	6,312	79,729	1,670,248	551,182
\$200,000 under \$500,000	7,381	243,474	68,172	1,770,145	125,681,601	41,474,928
\$500,000 under \$1,000,000	1,586	146,156	40,924	512,891	79,806,362	26,336,099
\$1,000,000 under \$1,500,000	877	180,199	50,456	123,023	19,317,254	6,374,694
\$1,500,000 under \$2,000,000	312	74,630	20,897	51,886	8,132,814	2,683,829
\$2,000,000 under \$5,000,000	661	423,679	118,630	74,368	11,661,379	3,848,255
\$5,000,000 under \$10,000,000	192	297,591	83,326	17,970	2,826,956	932,895
\$10,000,000 or more	191	915,129	256,236	10,926	1,711,165	564,684

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 2. Returns with Modified Taxable Income [1]: Tax Generated, by Rate and by Size of Adjusted Gross Income, Tax Year 2008—Continued

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

Size of adjusted gross income	Tax generated at specified rate—continued					
	35 percent			Form 8615		
	Number of returns	Income taxed at rate	Tax generated at rate	Number of returns	Income taxed at rate	Tax generated at rate
	(37)	(38)	(39)	(40)	(41)	(42)
Total	971,591	622,775,935	217,971,577	384,095	3,557,032	754,158
Under \$2,000	0	0	0	9,831	1,016	144
\$2,000 under \$4,000	0	0	0	123,811	136,883	25,528
\$4,000 under \$6,000	0	0	0	84,745	188,422	36,412
\$6,000 under \$8,000	0	0	0	37,949	116,520	19,350
\$8,000 under \$10,000	0	0	0	28,159	113,028	19,318
\$10,000 under \$12,000	0	0	0	25,838	145,350	28,685
\$12,000 under \$14,000	0	0	0	11,970	95,802	20,387
\$14,000 under \$16,000	0	0	0	14,198	109,890	17,912
\$16,000 under \$18,000	0	0	0	9,854	104,393	21,879
\$18,000 under \$20,000	0	0	0	4,719	72,974	14,229
\$20,000 under \$25,000	0	0	0	7,965	132,723	25,124
\$25,000 under \$30,000	0	0	0	5,678	110,752	26,691
\$30,000 under \$40,000	0	0	0	5,522	133,924	34,180
\$40,000 under \$50,000	0	0	0	3,763	140,174	26,419
\$50,000 under \$75,000	0	0	0	4,543	236,218	50,308
\$75,000 under \$100,000	0	0	0	1,275	90,530	23,027
\$100,000 under \$200,000	1,429	6,626	2,319	2,529	247,265	60,822
\$200,000 under \$500,000	225,614	9,741,240	3,409,434	749	230,686	38,223
\$500,000 under \$1,000,000	476,985	102,688,961	35,941,136	564	384,376	93,941
\$1,000,000 under \$1,500,000	118,048	74,734,035	26,156,912	254	267,328	57,262
\$1,500,000 under \$2,000,000	49,733	50,784,347	17,774,521	107	165,431	41,049
\$2,000,000 under \$5,000,000	71,636	138,216,384	48,375,734	51	155,436	36,127
\$5,000,000 under \$10,000,000	17,429	77,513,307	27,129,657	19	128,822	25,083
\$10,000,000 or more	10,717	169,091,034	59,181,862	3	49,088	12,058

* Estimate should be used with caution because of the small number of sample returns on which it is based.

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

[1] For definition of modified taxable income, see section 4 in *2008 Individual Income Tax Returns publication 1304*.

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

Individual Income Tax Rates and Shares, 2008

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Table 3. Returns with Modified Taxable Income: Taxable Income and Tax, Classified by Tax Rate and by Filing Status, Tax Year 2008

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

Tax rate class	All returns			Joint returns and returns of surviving spouses			Returns of married persons filing separately
	Number of returns [1]	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All tax rates	107,978,328	5,652,315,095	1,081,310,619	45,204,538	3,847,280,164	763,780,726	2,275,910
0 percent	10,897,964	48,940,232	0	6,316,269	33,260,187	0	113,425
5 percent	205,858	2,275,699	113,785	92,778	1,404,081	70,204	3,740
10 percent	106,892,311	1,109,076,691	110,907,669	44,859,462	659,881,863	65,988,186	2,262,646
10 percent (Form 8814) [1]	131,638	151,299	15,132	106,646	120,341	12,036	1,736
15 percent	80,264,660	1,971,611,116	295,741,667	37,511,255	1,294,009,644	194,101,447	1,936,708
15 percent (capital gains) [2]	12,006,157	466,964,547	70,044,682	7,806,371	349,650,170	52,447,525	190,419
25 percent	30,355,956	871,091,740	217,772,935	15,883,000	575,346,945	143,836,736	796,466
25 percent (capital gains)	334,377	6,515,717	1,628,929	223,309	4,891,220	1,222,805	7,870
28 percent	6,903,701	296,231,725	82,944,883	4,553,917	210,811,277	59,027,157	227,548
28 percent (capital gains)	26,390	2,310,169	646,847	15,965	1,617,100	452,788	746
33 percent	2,641,250	250,813,195	82,768,354	2,110,217	203,936,346	67,298,994	88,471
35 percent	971,591	622,775,935	217,971,577	817,167	512,350,991	179,322,847	33,864
Form 8615 [3]	384,095	3,557,032	754,158	0	0	0	0

Footnotes at end of table.

Table 3. Returns with Modified Taxable Income: Taxable Income and Tax, Classified by Tax Rate and by Filing Status, Tax Year 2008—Continued

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

Tax rate class	Returns of married persons filing separately—continued		Returns of heads of households			Returns of single persons		
	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate	Number of returns	Income taxed at rate	Income tax generated at rate
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
All tax rates	117,288,222	24,714,668	13,612,171	316,316,689	49,685,818	46,885,709	1,371,430,020	243,129,407
0 percent	468,920	0	389,634	1,362,886	0	4,078,636	13,848,239	0
5 percent	17,835	892	8,262	77,414	3,871	101,077	776,369	38,818
10 percent	16,902,109	1,690,211	13,585,066	119,568,442	11,956,844	46,185,137	312,724,277	31,272,428
10 percent (Form 8814) [1]	946	94	20,471	27,041	2,705	2,785	2,970	297
15 percent	32,771,640	4,915,746	7,708,044	120,959,765	18,143,965	33,108,653	523,870,067	78,580,510
15 percent (capital gains) [2]	17,368,984	2,605,348	308,600	10,582,624	1,587,394	3,700,767	89,362,769	13,404,415
25 percent	14,592,266	3,648,066	1,520,580	36,802,921	9,200,730	12,155,910	244,349,607	61,087,402
25 percent (capital gains)	160,388	40,097	7,629	141,164	35,291	95,569	1,322,945	330,736
28 percent	4,947,157	1,385,204	173,089	7,141,053	1,999,495	1,949,147	73,332,239	20,533,027
28 percent (capital gains)	52,359	14,661	371	68,324	19,131	9,307	572,386	160,268
33 percent	4,380,799	1,445,664	63,277	5,918,824	1,953,212	379,285	36,577,226	12,070,484
35 percent	25,624,818	8,968,686	19,331	13,666,231	4,783,181	101,229	71,133,894	24,896,863
Form 8615 [3]	0	0	0	0	0	384,095	3,557,032	754,158

[1] Form 8814 was filed for a dependent child under age 18 for whom the parents made an election to report the child's investment income (if it was from interest, dividends, or capital gains totaling between \$900 and \$9,000) on the parents' income tax return. This rate classification is comprised of those returns with a tax liability only from the dependent's income.

[2] The 15 percent capital gains rate also includes qualified dividends.

[3] Form 8615 was filed for a child under age 18 to report the child's investment income in excess of \$1,800. The returns in this rate classification are not distributed by tax rate.

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

Individual Income Tax Rates and Shares, 2008

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Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Modified taxable income	Income tax before credits, regular tax computation		Tax generated	
				Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Returns with regular tax computation only							
Total	85,418,967	4,561,162,471	2,889,223,853	85,418,967	473,562,743	85,418,967	473,097,069
Under \$5,000	236,500	551,120	194,055	236,500	19,478	236,500	19,404
\$5,000 under \$10,000	2,917,315	23,287,890	4,588,356	2,917,315	459,345	2,917,315	459,345
\$10,000 under \$15,000	5,614,096	70,416,159	21,174,012	5,614,096	2,125,814	5,614,096	2,126,237
\$15,000 under \$20,000	7,027,612	123,573,515	45,904,838	7,027,612	4,817,528	7,027,612	4,817,338
\$20,000 under \$25,000	7,680,823	172,896,336	71,850,761	7,680,823	8,264,263	7,680,823	8,264,104
\$25,000 under \$30,000	7,365,426	202,131,395	95,688,414	7,365,426	11,471,896	7,365,426	11,471,248
\$30,000 under \$40,000	12,487,221	434,083,827	234,733,478	12,487,221	29,314,151	12,487,221	29,313,381
\$40,000 under \$50,000	9,272,315	415,343,053	246,998,655	9,272,315	32,846,119	9,272,315	32,839,834
\$50,000 under \$75,000	15,123,300	926,523,084	588,516,125	15,123,300	85,391,463	15,123,300	85,378,315
\$75,000 under \$100,000	8,456,976	729,852,412	493,867,464	8,456,976	74,832,354	8,456,976	74,797,592
\$100,000 under \$200,000	8,014,139	1,038,899,386	745,193,649	8,014,139	133,834,905	8,014,139	133,729,675
\$200,000 under \$500,000	1,098,597	297,839,001	233,125,118	1,098,597	55,788,059	1,098,597	55,650,548
\$500,000 under \$1,000,000	95,060	62,836,753	52,977,642	95,060	16,071,249	95,060	15,970,974
\$1,000,000 under \$1,500,000	15,957	19,213,324	16,707,608	15,957	5,433,800	15,957	5,420,468
\$1,500,000 under \$2,000,000	5,509	9,433,468	7,964,102	5,509	2,649,607	5,509	2,641,825
\$2,000,000 under \$5,000,000	6,674	19,060,292	16,444,100	6,674	5,608,387	6,674	5,580,683
\$5,000,000 under \$10,000,000	1,047	7,079,380	6,136,779	1,047	2,135,509	1,047	2,120,804
\$10,000,000 or more	400	8,142,077	7,158,697	400	2,498,816	400	2,495,293
Returns with Form 8615 tax computation [2]							
Total	384,095	5,133,946	4,365,648	384,095	823,259	384,095	797,121
Under \$5,000	181,088	608,301	436,525	181,088	41,116	181,088	52,159
\$5,000 under \$10,000	103,407	724,249	497,766	103,407	46,539	103,407	65,388
\$10,000 under \$15,000	45,353	544,208	410,221	45,353	43,279	45,353	65,234
\$15,000 under \$20,000	21,226	361,430	318,491	21,226	36,192	21,226	50,728
\$20,000 under \$25,000	7,965	174,411	152,786	7,965	19,721	7,965	26,603
\$25,000 under \$30,000	5,678	160,566	135,640	5,678	18,195	5,678	29,690
\$30,000 under \$40,000	5,522	188,180	156,967	5,522	21,844	5,522	36,744
\$40,000 under \$50,000	* 3,763	* 168,967	* 147,052	* 3,763	* 23,534	* 3,763	* 26,966
\$50,000 under \$75,000	* 4,543	* 271,664	* 279,601	* 4,543	* 46,467	* 4,543	* 52,195
\$75,000 under \$100,000	* 1,275	* 100,183	* 92,778	* 1,275	* 18,536	* 1,275	* 23,252
\$100,000 under \$200,000	* 2,529	* 351,460	* 291,135	* 2,529	* 60,303	* 2,529	* 64,362
\$200,000 under \$500,000	749	250,391	256,559	749	66,100	749	38,278
\$500,000 under \$1,000,000	564	405,964	423,891	564	122,520	564	93,942
\$1,000,000 under \$1,500,000	254	291,311	267,407	254	88,176	254	57,262
\$1,500,000 under \$2,000,000	107	181,303	165,458	107	55,623	107	41,049
\$2,000,000 under \$5,000,000	51	162,894	155,461	51	53,323	51	36,128
\$5,000,000 under \$10,000,000	19	134,792	128,822	19	44,676	19	25,083
\$10,000,000 or more	* 3	* 53,671	* 49,088	* 3	* 17,116	* 3	* 12,058

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Modified taxable income	Income tax before credits, regular tax computation		Tax generated	
				Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Returns with Schedule D tax computation							
Total	20,936,388	3,291,004,790	2,190,413,003	20,936,388	645,240,720	20,936,388	576,898,737
Under \$5,000	97,268	278,525	63,242	97,268	9,920	97,268	6,362
\$5,000 under \$10,000	157,981	1,173,429	255,412	157,981	33,479	157,981	25,981
\$10,000 under \$15,000	356,068	4,523,750	991,402	356,068	126,375	356,068	100,277
\$15,000 under \$20,000	473,796	8,308,943	2,818,465	473,796	348,059	473,796	289,956
\$20,000 under \$25,000	558,401	12,616,505	4,291,706	558,401	582,390	558,401	481,972
\$25,000 under \$30,000	654,183	18,040,240	7,106,562	654,183	981,009	654,183	838,867
\$30,000 under \$40,000	1,450,106	50,953,001	24,264,597	1,450,106	3,373,755	1,450,106	2,989,328
\$40,000 under \$50,000	1,542,995	69,471,581	37,752,615	1,542,995	5,478,539	1,542,995	4,981,523
\$50,000 under \$75,000	3,827,165	238,776,606	143,789,385	3,827,165	23,533,636	3,827,165	21,753,685
\$75,000 under \$100,000	3,151,460	273,457,579	176,125,593	3,151,460	29,729,011	3,151,460	27,752,147
\$100,000 under \$200,000	5,672,903	783,623,260	542,858,507	5,672,903	109,532,567	5,672,903	104,793,647
\$200,000 under \$500,000	2,280,189	665,613,273	484,901,296	2,280,189	132,491,571	2,280,189	124,679,561
\$500,000 under \$1,000,000	451,937	308,430,371	227,032,986	451,937	80,228,774	451,937	73,322,123
\$1,000,000 under \$1,500,000	114,410	138,081,370	99,105,694	114,410	39,118,095	114,410	34,971,365
\$1,500,000 under \$2,000,000	48,813	84,037,419	59,287,300	48,813	24,658,726	48,813	21,741,025
\$2,000,000 under \$5,000,000	70,666	210,875,738	143,973,871	70,666	63,822,855	70,666	55,165,147
\$5,000,000 under \$10,000,000	17,402	118,927,039	75,323,812	17,402	36,928,071	17,402	30,660,333
\$10,000,000 or more	10,647	303,816,161	160,470,557	10,647	94,263,888	10,647	72,345,441

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Tax differences due to alternative computations	Taxes from special computation		Alternative minimum tax	
		Number of returns	Amount	Number of returns	Amount
	(8)	(9)	(10)	(11)	(12)
Returns with regular tax computation only					
Total		0	* 6,826	* 5,770	1,308,693
Under \$5,000		0	0	0	* 8
\$5,000 under \$10,000		0	0	0	* 652
\$10,000 under \$15,000		0	* 1,003	* 4,625	* 1,981
\$15,000 under \$20,000		0	0	0	* 2,901
\$20,000 under \$25,000		0	* 1,003	* 100	* 2,274
\$25,000 under \$30,000		0	* 1,003	* 110	0
\$30,000 under \$40,000		0	0	0	* 70
\$40,000 under \$50,000		0	0	0	* 2,334
\$50,000 under \$75,000		0	0	0	62,929
\$75,000 under \$100,000		0	0	0	82,967
\$100,000 under \$200,000		0	* 3,026	* 756	413,299
\$200,000 under \$500,000		0	* 790	* 178	696,215
\$500,000 under \$1,000,000		0	0	0	40,850
\$1,000,000 under \$1,500,000		0	0	0	1,489
\$1,500,000 under \$2,000,000		0	0	0	334
\$2,000,000 under \$5,000,000		0	0	0	343
\$5,000,000 under \$10,000,000		0	0	0	31
\$10,000,000 or more		0	0	0	13
Returns with Form 8615 tax computation [2]					
Total		-26,138	0	0	4,897
Under \$5,000		11,043	0	0	0
\$5,000 under \$10,000		18,849	0	0	0
\$10,000 under \$15,000		21,955	0	0	* 652
\$15,000 under \$20,000		14,536	0	0	* 1,271
\$20,000 under \$25,000		6,882	0	0	0
\$25,000 under \$30,000		11,495	0	0	* 1,315
\$30,000 under \$40,000		14,900	0	0	0
\$40,000 under \$50,000		* 3,433	0	0	* 652
\$50,000 under \$75,000		* 5,729	0	0	* 435
\$75,000 under \$100,000		* 4,716	0	0	* 32
\$100,000 under \$200,000		* 4,059	0	0	* 315
\$200,000 under \$500,000		-27,822	0	0	* 136
\$500,000 under \$1,000,000		-28,578	0	0	* 8
\$1,000,000 under \$1,500,000		-30,914	0	0	* 74
\$1,500,000 under \$2,000,000		-14,574	0	0	0
\$2,000,000 under \$5,000,000		-17,195	0	0	* 3
\$5,000,000 under \$10,000,000		-19,593	0	0	** 4
\$10,000,000 or more		* -5,059	0	0	**

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Tax differences due to alternative computations	Taxes from special computation		Alternative minimum tax	
		Number of returns	Amount	Number of returns	Amount
	(8)	(9)	(10)	(11)	(12)
Returns with Schedule D tax computation					
Total	-68,341,983	* 1,799	* 3,766	2,495,351	17,745,760
Under \$5,000	-3,558	0	0	0	0
\$5,000 under \$10,000	-7,499	0	0	0	0
\$10,000 under \$15,000	-26,099	0	0	* 652	* 521
\$15,000 under \$20,000	-58,103	0	0	0	0
\$20,000 under \$25,000	-100,418	0	0	0	0
\$25,000 under \$30,000	-142,142	0	0	* 1,977	* 2,388
\$30,000 under \$40,000	-384,427	0	0	* 1,302	* 2,251
\$40,000 under \$50,000	-497,015	0	0	* 1,247	* 5,043
\$50,000 under \$75,000	-1,779,951	* 1,621	* 2,835	4,213	6,286
\$75,000 under \$100,000	-1,976,865	* 141	* 801	21,353	39,294
\$100,000 under \$200,000	-4,738,920	* 31	* 127	426,171	1,024,947
\$200,000 under \$500,000	-7,812,010	* 6	* 3	1,711,196	10,198,618
\$500,000 under \$1,000,000	-6,906,651	0	0	264,492	3,291,593
\$1,000,000 under \$1,500,000	-4,146,731	0	0	30,849	759,211
\$1,500,000 under \$2,000,000	-2,917,701	0	0	11,069	351,040
\$2,000,000 under \$5,000,000	-8,657,708	0	0	15,187	791,661
\$5,000,000 under \$10,000,000	-6,267,738	0	0	3,465	359,912
\$10,000,000 or more	-21,918,447	0	0	2,178	912,996

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Income tax before credits		Total tax credits		Income tax after credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)
Returns with regular tax computation only						
Total	85,418,967	477,483,165	43,657,703	49,378,990	69,829,212	428,104,175
Under \$5,000	236,500	19,464	3,265	466	233,236	18,998
\$5,000 under \$10,000	2,917,315	459,542	574,586	30,444	2,349,939	429,098
\$10,000 under \$15,000	5,614,096	2,131,352	3,101,535	720,574	3,895,977	1,410,778
\$15,000 under \$20,000	7,027,612	4,819,276	4,537,422	1,579,005	4,853,375	3,240,271
\$20,000 under \$25,000	7,680,823	8,265,949	4,735,526	2,360,180	4,932,585	5,905,769
\$25,000 under \$30,000	7,365,426	11,471,359	4,251,393	3,128,157	4,743,816	8,343,202
\$30,000 under \$40,000	12,487,221	29,313,540	6,514,816	6,493,949	9,444,800	22,819,591
\$40,000 under \$50,000	9,272,315	32,844,011	4,546,402	6,018,002	7,874,381	26,826,009
\$50,000 under \$75,000	15,123,300	85,433,486	7,192,443	12,865,719	13,985,773	72,567,767
\$75,000 under \$100,000	8,456,976	74,916,865	4,425,169	8,937,796	8,303,649	65,979,069
\$100,000 under \$200,000	8,014,139	134,558,471	3,548,268	5,816,842	7,990,433	128,741,629
\$200,000 under \$500,000	1,098,597	58,583,892	192,015	677,674	1,096,829	57,906,217
\$500,000 under \$1,000,000	95,060	16,323,843	26,158	248,010	94,901	16,075,833
\$1,000,000 under \$1,500,000	15,957	5,454,934	4,628	97,423	15,929	5,357,511
\$1,500,000 under \$2,000,000	5,509	2,655,591	1,597	63,958	5,485	2,591,633
\$2,000,000 under \$5,000,000	6,674	5,600,797	1,964	101,958	6,658	5,498,839
\$5,000,000 under \$10,000,000	1,047	2,124,625	346	52,267	1,047	2,072,358
\$10,000,000 or more	400	2,506,168	168	186,565	398	2,319,603
Returns with Form 8615 tax computation [2]						
Total	384,095	811,712	114,380	21,192	374,323	790,520
Under \$5,000	181,088	52,159	40,613	1,511	172,622	50,648
\$5,000 under \$10,000	103,407	65,388	31,888	1,683	102,109	63,706
\$10,000 under \$15,000	45,353	65,251	14,700	1,066	45,353	64,185
\$15,000 under \$20,000	21,226	51,389	7,521	616	21,226	50,773
\$20,000 under \$25,000	7,965	26,603	* 4,337	* 284	7,965	26,319
\$25,000 under \$30,000	5,678	32,598	* 4,014	* 659	5,678	31,939
\$30,000 under \$40,000	5,522	36,744	* 2,256	* 1,536	5,522	35,207
\$40,000 under \$50,000	* 3,763	* 26,995	* 2,492	* 900	* 3,763	* 26,095
\$50,000 under \$75,000	* 4,543	* 55,827	* 2,613	* 289	* 4,543	* 55,539
\$75,000 under \$100,000	* 1,275	* 23,705	* 624	* 56	* 1,275	* 23,649
\$100,000 under \$200,000	* 2,529	* 68,310	* 1,912	* 251	* 2,529	* 68,059
\$200,000 under \$500,000	749	38,809	709	1,087	* 742	* 37,722
\$500,000 under \$1,000,000	564	93,982	367	2,639	564	91,343
\$1,000,000 under \$1,500,000	254	59,219	205	1,809	253	57,410
\$1,500,000 under \$2,000,000	107	41,049	* 75	* 3,419	107	37,630
\$2,000,000 under \$5,000,000	51	36,207	* 38	* 377	51	35,830
\$5,000,000 under \$10,000,000	19	25,356	13	484	19	24,872
\$10,000,000 or more	* 3	* 12,120	* 3	* 2,526	* 3	* 9,594

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Income tax before credits		Total tax credits		Income tax after credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(13)	(14)	(15)	(16)	(17)	(18)	
Returns with Schedule D tax computation						
Total	20,936,388	594,648,263	11,158,504	18,234,713	20,068,594	576,413,550
Under \$5,000	97,268	6,362	16,129	337	92,920	6,025
\$5,000 under \$10,000	157,981	25,981	29,459	744	152,046	25,237
\$10,000 under \$15,000	356,068	100,798	149,749	23,266	284,683	77,531
\$15,000 under \$20,000	473,796	289,956	255,517	76,239	406,872	213,716
\$20,000 under \$25,000	558,401	481,972	264,374	87,972	482,634	394,000
\$25,000 under \$30,000	654,183	841,255	306,738	117,913	571,926	723,343
\$30,000 under \$40,000	1,450,106	2,991,578	690,737	353,420	1,290,383	2,638,158
\$40,000 under \$50,000	1,542,995	4,986,566	764,177	515,470	1,415,331	4,471,096
\$50,000 under \$75,000	3,827,165	21,762,806	1,937,815	1,881,768	3,641,548	19,881,038
\$75,000 under \$100,000	3,151,460	27,792,242	1,799,855	2,145,244	3,095,815	25,646,998
\$100,000 under \$200,000	5,672,903	105,818,721	3,260,948	3,576,293	5,644,225	102,242,428
\$200,000 under \$500,000	2,280,189	134,878,182	1,201,072	1,856,619	2,277,427	133,021,563
\$500,000 under \$1,000,000	451,937	76,613,716	291,480	1,206,016	451,244	75,407,700
\$1,000,000 under \$1,500,000	114,410	35,730,575	79,709	718,617	114,270	35,011,959
\$1,500,000 under \$2,000,000	48,813	22,092,065	35,258	418,163	48,745	21,673,902
\$2,000,000 under \$5,000,000	70,666	55,956,808	52,828	1,461,677	70,548	54,495,130
\$5,000,000 under \$10,000,000	17,402	31,020,245	13,751	863,282	17,359	30,156,963
\$10,000,000 or more	10,647	73,258,436	8,909	2,931,672	10,619	70,326,764

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Total income tax				
	Number of returns	Amount	As a percentage of		Average income tax (dollars)
			Modified taxable income	Adjusted gross income	
	(19)	(20)	(21)	(22)	(23)
Returns with regular tax computation only					
Total	69,829,212	428,104,175	14.8	9.4	5,012
Under \$5,000	233,236	18,998	9.8	3.4	80
\$5,000 under \$10,000	2,349,939	429,098	9.4	1.8	147
\$10,000 under \$15,000	3,895,977	1,410,778	6.7	2.0	251
\$15,000 under \$20,000	4,853,375	3,240,271	7.1	2.6	461
\$20,000 under \$25,000	4,932,585	5,905,769	8.2	3.4	769
\$25,000 under \$30,000	4,743,816	8,343,202	8.7	4.1	1,133
\$30,000 under \$40,000	9,444,800	22,819,591	9.7	5.3	1,827
\$40,000 under \$50,000	7,874,381	26,826,009	10.9	6.5	2,893
\$50,000 under \$75,000	13,985,773	72,567,767	12.3	7.8	4,798
\$75,000 under \$100,000	8,303,649	65,979,069	13.4	9.0	7,802
\$100,000 under \$200,000	7,990,433	128,741,629	17.3	12.4	16,064
\$200,000 under \$500,000	1,096,829	57,906,217	24.8	19.4	52,709
\$500,000 under \$1,000,000	94,901	16,075,833	30.3	25.6	169,112
\$1,000,000 under \$1,500,000	15,929	5,357,511	32.1	27.9	335,747
\$1,500,000 under \$2,000,000	5,485	2,591,633	32.5	27.5	470,436
\$2,000,000 under \$5,000,000	6,658	5,498,839	33.4	28.8	823,920
\$5,000,000 under \$10,000,000	1,047	2,072,358	33.8	29.3	1,979,330
\$10,000,000 or more	398	2,319,603	32.4	28.5	5,799,008
Returns with Form 8615 tax computation [2]					
Total	374,323	790,520	18.1	15.4	2,058
Under \$5,000	172,622	50,648	11.6	8.3	280
\$5,000 under \$10,000	102,109	63,706	12.8	8.8	616
\$10,000 under \$15,000	45,353	64,185	15.6	11.8	1,415
\$15,000 under \$20,000	21,226	50,773	15.9	14.0	2,392
\$20,000 under \$25,000	7,965	26,319	17.2	15.1	3,304
\$25,000 under \$30,000	5,678	31,939	23.5	19.9	5,625
\$30,000 under \$40,000	5,522	35,207	22.4	18.7	6,376
\$40,000 under \$50,000	* 3,763	* 26,095	* 17.7	* 15.4	* 6,935
\$50,000 under \$75,000	* 4,543	* 55,539	* 19.9	* 20.4	* 12,225
\$75,000 under \$100,000	* 1,275	* 23,649	* 25.5	* 23.6	* 18,548
\$100,000 under \$200,000	* 2,529	* 68,059	* 23.4	* 19.4	* 26,911
\$200,000 under \$500,000	* 742	* 37,722	14.7	15.1	50,363
\$500,000 under \$1,000,000	564	91,343	21.5	22.5	161,956
\$1,000,000 under \$1,500,000	253	57,410	21.5	19.7	226,024
\$1,500,000 under \$2,000,000	107	37,630	22.7	20.8	351,682
\$2,000,000 under \$5,000,000	51	35,830	23.0	22.0	702,549
\$5,000,000 under \$10,000,000	19	24,872	19.3	18.5	1,309,053
\$10,000,000 or more	* 3	* 9,594	* 19.5	* 17.9	* 3,198,000

Footnotes at end of table.

Individual Income Tax Rates and Shares, 2008

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Table 4a. Returns with Modified Taxable Income [1]: Adjusted Gross Income and Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008—Continued

[All figures are estimates based on samples—money amounts are in thousands of dollars, except where otherwise indicated]

Type of tax computation by size of adjusted gross income	Total income tax				
	Number of returns	Amount	As a percentage of		Average income tax (dollars)
			Modified taxable income	Adjusted gross income	
	(19)	(20)	(21)	(22)	(23)
Returns with Schedule D tax computation					
Total	20,068,595	576,413,756	26.3	17.5	27,532
Under \$5,000	92,920	6,025	9.5	2.2	62
\$5,000 under \$10,000	152,046	25,237	9.9	2.2	160
\$10,000 under \$15,000	284,683	77,531	7.8	1.7	218
\$15,000 under \$20,000	406,872	213,716	7.6	2.6	451
\$20,000 under \$25,000	482,634	394,000	9.2	3.1	706
\$25,000 under \$30,000	571,926	723,343	10.2	4.0	1,106
\$30,000 under \$40,000	1,290,383	2,638,158	10.9	5.2	1,819
\$40,000 under \$50,000	1,415,331	4,471,096	11.8	6.4	2,898
\$50,000 under \$75,000	3,641,548	19,881,038	13.8	8.3	5,195
\$75,000 under \$100,000	3,095,815	25,646,998	14.6	9.4	8,138
\$100,000 under \$200,000	5,644,225	102,242,428	18.8	13.0	18,023
\$200,000 under \$500,000	2,277,428	133,021,563	27.4	20.0	58,338
\$500,000 under \$1,000,000	451,244	75,407,765	33.2	24.4	166,855
\$1,000,000 under \$1,500,000	114,270	35,011,959	35.3	25.4	306,022
\$1,500,000 under \$2,000,000	48,745	21,673,902	36.6	25.8	444,019
\$2,000,000 under \$5,000,000	70,548	54,495,271	37.9	25.8	771,167
\$5,000,000 under \$10,000,000	17,359	30,156,963	40.0	25.4	1,732,960
\$10,000,000 or more	10,619	70,326,764	43.8	23.1	6,605,313

* Estimate should be used with caution due to the small number of sample returns on which it is based.

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

[1] See section 4 for the definition of modified taxable income.

[2] See table 3.1A for more details on returns with Form 8615 tax computation.

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

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Table 4b. Returns with Form 8615 Tax Computation: Tax Items, by Type of Tax Computation, by Size of Adjusted Gross Income, Tax Year 2008

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

Size of adjusted gross income	Number of returns	Income tax before credits, regular tax computation	Tax generated with Schedule D computation [1]	Tax differences due to regular tax computation vs. with Schedule D computation	Tax generated	Tax differences due to Form 8615 computation vs. with Schedule D computation
	(1)	(2)	(3)	(4)	(5)	(6)
Total	384,095	823,259	563,346	-259,913	797,121	233,775
Under \$5,000	181,088	41,116	35,172	-5,944	52,159	16,987
\$5,000 under \$10,000	103,407	46,539	34,273	-12,266	65,388	31,115
\$10,000 under \$15,000	45,353	43,279	32,922	-10,357	65,234	32,312
\$15,000 under \$20,000	21,226	36,192	27,527	-8,665	50,728	23,201
\$20,000 under \$25,000	7,965	19,721	13,592	-6,129	26,603	13,011
\$25,000 under \$30,000	5,678	18,195	14,587	-3,608	29,690	15,103
\$30,000 under \$40,000	5,522	21,844	14,938	-6,906	36,744	21,806
\$40,000 under \$50,000	* 3,763	* 23,534	* 14,785	* -8,749	* 26,966	* 12,181
\$50,000 under \$75,000	* 4,543	* 46,467	* 30,219	* -16,248	* 52,195	* 21,976
\$75,000 under \$100,000	* 1,275	* 18,536	* 16,165	* -2,371	* 23,252	* 7,087
\$100,000 under \$200,000	* 2,529	* 60,303	* 45,300	* -15,003	* 64,362	* 19,062
\$200,000 under \$500,000	749	66,100	34,227	-31,873	38,278	4,051
\$500,000 under \$1,000,000	564	122,520	85,118	-37,402	93,942	8,824
\$1,000,000 under \$1,500,000	254	88,176	54,235	-33,941	57,262	3,027
\$1,500,000 under \$2,000,000	107	55,623	38,896	-16,727	41,049	2,153
\$2,000,000 under \$5,000,000	51	53,323	34,684	-18,639	36,128	1,444
\$5,000,000 under \$10,000,000	19	44,676	24,766	-19,910	25,083	317
\$10,000,000 or more	* 3	* 17,116	* 11,940	* -5,176	* 12,058	* 118

* Estimate should be used with caution due to the small number of sample returns on which it is based.

[1] For returns that did not have Schedule D worksheet, the regular tax computation was used to calculate tax generated. For 2008, 207,126 returns had no worksheet.

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

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[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles					
		Top 0.1 percent	Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
		(1)	(2)	(3)	(4)	(5)	(6)
Number of returns [1]:							
1986	102,087,623	102,088	1,020,876	5,104,381	10,208,762	25,521,906	51,043,811
1987	106,154,761	106,155	1,061,548	5,307,738	10,615,476	26,538,690	53,077,380
1988	108,872,859	108,873	1,088,729	5,443,643	10,887,286	27,218,214	54,436,429
1989	111,312,721	111,313	1,113,127	5,565,636	11,131,272	27,828,181	55,656,361
1990	112,812,262	112,812	1,128,123	5,640,613	11,281,226	28,203,066	56,406,132
1991	113,804,104	113,804	1,138,041	5,690,205	11,380,410	28,451,026	56,902,052
1992	112,652,759	112,653	1,126,528	5,632,638	11,265,276	28,163,190	56,326,380
1993	113,681,387	113,681	1,136,814	5,684,069	11,368,139	28,420,347	56,840,694
1994	114,989,920	114,990	1,149,899	5,749,496	11,498,992	28,747,480	57,494,960
1995	117,274,186	117,274	1,172,742	5,863,709	11,727,419	29,318,546	58,637,093
1996	119,441,767	119,442	1,194,418	5,972,088	11,944,177	29,860,442	59,720,884
1997	121,503,284	121,503	1,215,033	6,075,164	12,150,328	30,375,821	60,751,642
1998	123,775,831	123,776	1,237,758	6,188,792	12,377,583	30,943,958	61,887,915
1999	126,008,974	126,009	1,260,090	6,300,449	12,600,897	31,502,244	63,004,487
2000	128,227,143	128,227	1,282,271	6,411,357	12,822,714	32,056,786	64,113,572
2001	128,817,051	128,817	1,288,171	6,440,853	12,881,705	32,204,263	64,408,526
2002	128,323,986	128,324	1,283,240	6,416,199	12,832,399	32,080,997	64,161,993
2003	128,609,786	128,610	1,286,098	6,430,489	12,860,979	32,152,447	64,304,893
2004	130,371,156	130,371	1,303,712	6,518,558	13,037,116	32,592,789	65,185,578
2005	132,611,637	132,612	1,326,116	6,630,582	13,261,164	33,152,909	66,305,819
2006	135,719,160	135,719	1,357,192	6,785,958	13,571,916	33,929,790	67,859,580
2007	[2] 141,070,971	141,071	1,410,710	7,053,549	14,107,097	35,267,743	70,535,486
2008	139,960,580	139,961	1,399,606	6,998,029	13,996,058	34,990,145	69,980,290
Adjusted gross income floor on percentiles (current dollars):							
1986	N/A	[6]	118,818	62,377	48,656	32,242	17,302
1987	N/A	[6]	139,289	68,414	52,921	33,983	17,768
1988	N/A	[6]	157,136	72,735	55,437	35,398	18,367
1989	N/A	[6]	163,869	76,933	58,263	36,839	18,993
1990	N/A	[6]	167,421	79,064	60,287	38,080	19,767
1991	N/A	[6]	170,139	81,720	61,944	38,929	20,097
1992	N/A	[6]	181,904	85,103	64,457	40,378	20,803
1993	N/A	[6]	185,715	87,386	66,077	41,210	21,179
1994	N/A	[6]	195,726	91,226	68,753	42,742	21,802
1995	N/A	[6]	209,406	96,221	72,094	44,207	22,344
1996	N/A	[6]	227,546	101,141	74,986	45,757	23,174
1997	N/A	[6]	250,736	108,048	79,212	48,173	24,393
1998	N/A	[6]	269,496	114,729	83,220	50,607	25,491
1999	N/A	[6]	293,415	120,846	87,682	52,965	26,415
2000	N/A	[6]	313,469	128,336	92,144	55,225	27,682
2001	N/A	1,324,487	292,913	127,904	92,754	56,085	28,528
2002	N/A	1,191,673	285,424	126,525	92,663	56,401	28,654
2003	N/A	1,262,760	295,495	130,080	94,891	57,343	29,019
2004	N/A	1,548,941	328,049	137,056	99,112	60,041	30,122
2005	N/A	1,848,791	364,657	145,283	103,912	62,068	30,881
2006	N/A	2,044,689	388,806	153,542	108,904	64,702	31,987
2007	N/A	2,155,365	410,096	160,041	113,018	66,532	32,879
2008	N/A	1,803,585	380,354	159,619	113,799	67,280	33,048

Footnotes at end of table.

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[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles					
		Top 0.1 percent	Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
		(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income floor on percentiles (constant dollars) [3]:							
1986	N/A	[6]	108,411	56,913	44,394	29,418	15,786
1987	N/A	[6]	122,614	60,224	46,585	29,915	15,641
1988	N/A	[6]	132,828	61,484	46,861	29,922	15,526
1989	N/A	[6]	132,152	62,043	46,986	29,709	15,317
1990	N/A	[6]	128,096	60,493	46,126	29,135	15,124
1991	N/A	[6]	124,919	60,000	45,480	28,582	14,756
1992	N/A	[6]	129,654	60,658	45,942	28,780	14,828
1993	N/A	[6]	128,522	60,475	45,728	28,519	14,657
1994	N/A	[6]	132,069	61,556	46,392	28,841	14,711
1995	N/A	[6]	137,406	63,137	47,306	29,007	14,661
1996	N/A	[6]	145,026	64,462	47,792	29,163	14,769
1997	N/A	[6]	156,222	67,320	49,353	30,014	15,198
1998	N/A	[6]	164,427	69,999	50,775	30,877	15,553
1999	N/A	[6]	176,119	72,537	52,630	31,792	15,855
2000	N/A	[6]	182,038	74,527	53,510	32,070	16,075
2001	N/A	747,875	165,394	72,221	52,374	31,669	16,108
2002	N/A	662,409	158,657	70,331	51,508	31,351	15,928
2003	N/A	686,283	160,595	70,696	51,571	31,165	15,771
2004	N/A	819,979	173,663	72,555	52,468	31,785	15,946
2005	N/A	946,642	186,716	74,390	53,206	31,781	15,812
2006	N/A	1,014,231	192,860	76,162	54,020	32,094	15,867
2007	N/A	1,039,732	197,827	77,203	54,519	32,095	15,861
2008	N/A	837,708	176,662	74,138	52,856	31,249	15,350
Adjusted gross income (millions of dollars):							
1986	2,524,124	[6]	285,197	608,467	886,510	1,490,173	2,103,569
1987	2,813,728	[6]	346,635	722,221	1,038,221	1,709,389	2,373,869
1988	3,124,156	[6]	473,527	890,702	1,232,536	1,950,860	2,657,865
1989	3,298,858	[6]	468,079	918,421	1,286,539	2,054,478	2,805,235
1990	3,451,237	[6]	483,252	953,337	1,338,032	2,144,177	2,932,537
1991	3,516,142	[6]	456,603	943,350	1,343,202	2,174,765	2,984,003
1992	3,680,552	[6]	523,586	1,031,093	1,443,784	2,299,401	3,131,400
1993	3,775,578	[6]	520,586	1,048,252	1,474,463	2,357,953	3,212,299
1994	3,961,146	[6]	546,700	1,103,084	1,552,205	2,481,074	3,371,352
1995	4,244,607	[6]	619,610	1,222,723	1,704,513	2,689,820	3,627,542
1996	4,590,527	[6]	736,545	1,393,805	1,909,149	2,952,637	3,944,383
1997	5,023,457	[6]	872,826	1,597,107	2,151,401	3,267,600	4,327,992
1998	5,469,211	[6]	1,010,245	1,796,647	2,393,716	3,589,600	4,721,430
1999	5,909,329	[6]	1,152,820	2,011,763	2,652,835	3,927,308	5,126,164
2000	6,423,977	[6]	1,336,773	2,267,403	2,955,386	4,313,786	5,589,755
2001	6,241,036	505,752	1,094,296	1,996,492	2,690,589	4,071,034	5,379,286
2002	6,113,778	431,644	985,781	1,867,787	2,553,475	3,935,504	5,244,029
2003	6,287,586	476,041	1,054,567	1,960,676	2,663,470	4,078,227	5,407,851
2004	6,875,123	628,522	1,306,417	2,299,595	3,049,275	4,546,401	5,952,781
2005	7,507,958	799,403	1,591,711	2,683,934	3,487,010	5,069,455	6,544,824
2006	8,122,040	911,054	1,791,886	2,977,714	3,843,144	5,535,830	7,105,599
2007	8,798,500	1,049,358	2,008,259	3,294,542	4,227,839	6,045,354	7,720,213
2008	8,426,625	839,371	1,685,472	2,926,701	3,856,462	5,678,179	7,352,111

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[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles					
		Top 0.1 percent	Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(2)	(3)	(4)	(5)	(6)
Total income tax (millions of dollars) [4]:							
1986	366,979	[6]	94,491	156,240	200,703	278,976	343,289
1987	369,046	[6]	91,559	159,642	205,230	283,857	346,655
1988	412,761	[6]	113,841	188,303	236,411	321,297	389,145
1989	432,838	[6]	109,259	190,188	241,458	334,258	407,599
1990	447,061	[6]	112,338	195,088	247,514	344,340	421,075
1991	448,349	[6]	111,267	194,480	250,282	346,511	423,759
1992	476,163	[6]	131,156	218,479	276,213	373,700	452,070
1993	502,720	[6]	145,836	238,083	297,808	398,516	478,563
1994	534,754	[6]	154,337	254,106	317,902	425,402	509,256
1995	588,331	[6]	178,035	287,741	357,402	472,808	561,225
1996	658,124	[6]	212,626	335,433	411,404	535,164	629,684
1997	727,303	[6]	241,239	377,241	459,639	594,007	696,161
1998	788,452	[6]	274,009	424,506	512,836	651,964	755,240
1999	877,292	[6]	317,419	486,464	583,002	732,890	842,168
2000	980,521	[6]	366,929	553,670	660,150	823,706	942,179
2001	887,882	142,616	300,898	472,823	576,163	736,053	852,642
2002	796,862	122,975	268,608	428,680	523,812	668,558	768,963
2003	747,939	117,275	256,340	406,597	492,452	627,380	722,027
2004	831,890	145,118	306,902	475,224	567,273	705,915	804,471
2005	934,703	180,008	368,132	557,759	657,085	803,772	906,028
2006	1,023,739	200,281	408,369	615,680	724,740	883,153	993,176
2007	1,115,504	225,239	450,926	676,293	794,432	965,875	1,083,243
2008	1,031,512	190,498	392,149	605,718	721,421	890,614	1,003,639
Average tax rate (percentage) [5]:							
1986	14.54	[6]	33.13	25.68	22.64	18.72	16.32
1987	13.12	[6]	26.41	22.10	19.77	16.61	14.60
1988	13.21	[6]	24.04	21.14	19.18	16.47	14.64
1989	13.12	[6]	23.34	20.71	18.77	16.27	14.53
1990	12.95	[6]	23.25	20.46	18.50	16.06	14.36
1991	12.75	[6]	24.37	20.62	18.63	15.93	14.20
1992	12.94	[6]	25.05	21.19	19.13	16.25	14.44
1993	13.32	[6]	28.01	22.71	20.20	16.90	14.90
1994	13.50	[6]	28.23	23.04	20.48	17.15	15.11
1995	13.86	[6]	28.73	23.53	20.97	17.58	15.47
1996	14.34	[6]	28.87	24.07	21.55	18.12	15.96
1997	14.48	[6]	27.64	23.62	21.36	18.18	16.09
1998	14.42	[6]	27.12	23.63	21.42	18.16	16.00
1999	14.85	[6]	27.53	24.18	21.98	18.66	16.43
2000	15.26	[6]	27.45	24.42	22.34	19.09	16.86
2001	14.23	28.20	27.50	23.68	21.41	18.08	15.85
2002	13.03	28.49	27.25	22.95	20.51	16.99	14.66
2003	11.90	24.64	24.31	20.74	18.49	15.38	13.35
2004	12.10	23.09	23.49	20.67	18.60	15.53	13.51
2005	12.45	22.52	23.13	20.78	18.84	15.86	13.84
2006	12.60	21.98	22.79	20.68	18.86	15.95	13.98
2007	12.68	21.46	22.45	20.53	18.79	15.98	14.03
2008	12.24	22.70	23.27	20.70	18.71	15.68	13.65

Footnotes at end of table.

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[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles					
		Top 0.1 percent	Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
		(1)	(2)	(2)	(3)	(4)	(5)
Adjusted gross income share (percentage):							
1986	100.00	[6]	11.30	24.11	35.12	59.04	83.34
1987	100.00	[6]	12.32	25.67	36.90	60.75	84.37
1988	100.00	[6]	15.16	28.51	39.45	62.44	85.07
1989	100.00	[6]	14.19	27.84	39.00	62.28	85.04
1990	100.00	[6]	14.00	27.62	38.77	62.13	84.97
1991	100.00	[6]	12.99	26.83	38.20	61.85	84.87
1992	100.00	[6]	14.23	28.01	39.23	62.47	85.08
1993	100.00	[6]	13.79	27.76	39.05	62.45	85.08
1994	100.00	[6]	13.80	27.85	39.19	62.64	85.11
1995	100.00	[6]	14.60	28.81	40.16	63.37	85.46
1996	100.00	[6]	16.04	30.36	41.59	64.32	85.92
1997	100.00	[6]	17.38	31.79	42.83	65.05	86.16
1998	100.00	[6]	18.47	32.85	43.77	65.63	86.33
1999	100.00	[6]	19.51	34.04	44.89	66.46	86.75
2000	100.00	[6]	20.81	35.30	46.01	67.15	87.01
2001	100.00	8.10	17.53	31.99	43.11	65.23	86.19
2002	100.00	7.06	16.12	30.55	41.77	64.37	85.77
2003	100.00	7.57	16.77	31.18	42.36	64.86	86.01
2004	100.00	9.14	19.00	33.45	44.35	66.13	86.58
2005	100.00	10.65	21.20	35.75	46.44	67.52	87.17
2006	100.00	11.22	22.06	36.66	47.32	68.16	87.49
2007	100.00	11.93	22.83	37.44	48.05	68.71	87.74
2008	100.00	9.96	20.00	34.73	45.77	67.38	87.25
Total income tax share (percentage):							
1986	100.00	[6]	25.75	42.57	54.69	76.02	93.54
1987	100.00	[6]	24.81	43.26	55.61	76.92	93.93
1988	100.00	[6]	27.58	45.62	57.28	77.84	94.28
1989	100.00	[6]	25.24	43.94	55.78	77.22	94.17
1990	100.00	[6]	25.13	43.64	55.36	77.02	94.19
1991	100.00	[6]	24.82	43.38	55.82	77.29	94.52
1992	100.00	[6]	27.54	45.88	58.01	78.48	94.94
1993	100.00	[6]	29.01	47.36	59.24	79.27	95.19
1994	100.00	[6]	28.86	47.52	59.45	79.55	95.23
1995	100.00	[6]	30.26	48.91	60.75	80.36	95.39
1996	100.00	[6]	32.31	50.97	62.51	81.32	95.68
1997	100.00	[6]	33.17	51.87	63.20	81.67	95.72
1998	100.00	[6]	34.75	53.84	65.04	82.69	95.79
1999	100.00	[6]	36.18	55.45	66.45	83.54	96.00
2000	100.00	[6]	37.42	56.47	67.33	84.01	96.09
2001	100.00	16.06	33.89	53.25	64.89	82.90	96.03
2002	100.00	15.43	33.71	53.80	65.73	83.90	96.50
2003	100.00	15.68	34.27	54.36	65.84	83.88	96.54
2004	100.00	17.44	36.89	57.13	68.19	84.86	96.70
2005	100.00	19.26	39.38	59.67	70.30	85.99	96.93
2006	100.00	19.56	39.89	60.14	70.79	86.27	97.01
2007	100.00	20.19	40.42	60.63	71.22	86.59	97.11
2008	100.00	18.47	38.02	58.72	69.94	86.34	97.30

N/A—Not applicable.

[1] The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Table 1. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2008, there were 3,495 returns with no adjusted gross income that reported income tax.

[2] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[3] For Table 1, constant dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers (CPI-U, 1982-84=100). For 2008 the CPI-U = 215.3.

[4] Total income tax is income tax after credits (includes alternative minimum tax) reported on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax, Form 8814 tax (tax on a child's interest or dividends), and Form 4972 tax (tax on lump-sum distributions from qualified retirement plans) reported on some returns with a negative amount for adjusted gross income. See also Footnote 1.

[5] The average tax rate was computed by dividing total income tax (see footnote 4) by (positive) adjusted gross income.

[6] Not Calculated.

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Table 6. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2008

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
		(1)	(2)	(3)	(4)	(5)
Number of returns [1]:						
1986	102,087,623	51,043,811	76,565,717	91,878,861	96,983,242	101,066,747
1987	106,154,761	53,077,380	79,616,071	95,539,285	100,847,023	105,093,213
1988	108,872,858	54,436,429	81,654,643	97,985,572	103,429,215	107,784,129
1989	111,312,721	55,656,361	83,484,542	100,181,451	105,747,087	110,199,596
1990	112,812,262	56,406,132	84,609,198	101,531,038	107,171,651	111,684,141
1991	113,804,104	56,902,052	85,353,078	102,423,694	108,113,899	112,666,063
1992	112,652,759	56,326,380	84,489,560	101,387,483	107,020,121	111,526,231
1993	113,681,387	56,840,693	85,261,040	102,313,248	107,997,318	112,544,573
1994	114,989,920	57,494,960	86,242,440	103,490,928	109,240,424	113,840,021
1995	117,274,186	58,637,093	87,955,640	105,546,767	111,410,477	116,101,444
1996	119,441,767	59,720,883	89,581,325	107,497,590	113,469,679	118,247,349
1997	121,503,284	60,751,642	91,127,463	109,352,956	115,428,120	120,288,251
1998	123,775,831	61,887,916	92,831,873	111,398,248	117,587,039	122,538,073
1999	126,008,974	63,004,487	94,506,731	113,408,077	119,708,525	124,748,884
2000	128,227,143	64,113,572	96,170,357	115,404,429	121,815,786	126,944,872
2001	128,817,051	64,408,526	96,612,788	115,935,346	122,376,198	127,528,880
2002	128,323,986	64,161,993	96,242,990	115,491,587	121,907,787	127,040,746
2003	128,609,786	64,304,893	96,457,340	115,748,807	122,179,297	127,323,688
2004	130,371,156	65,185,578	97,778,367	117,334,040	123,852,598	129,067,444
2005	132,611,637	66,305,819	99,458,728	119,350,473	125,981,055	131,285,521
2006	135,719,160	67,859,580	101,789,370	122,147,244	128,933,202	134,361,968
2007	[2] 141,070,971	70,535,486	105,803,228	126,963,874	134,017,422	139,660,261
2008	139,960,580	69,980,290	104,970,435	125,964,522	132,962,551	138,560,974
Adjusted gross income (millions of dollars):						
1986	2,524,124	420,555	1,033,951	1,637,614	1,915,657	2,238,927
1987	2,813,728	439,859	1,104,338	1,775,506	2,091,507	2,467,093
1988	3,124,156	466,291	1,173,296	1,891,620	2,233,454	2,650,629
1989	3,298,858	493,623	1,244,380	2,012,319	2,380,437	2,830,779
1990	3,451,237	518,700	1,307,060	2,113,205	2,497,900	2,967,985
1991	3,516,142	532,138	1,341,377	2,172,939	2,572,792	3,059,539
1992	3,680,552	549,152	1,381,151	2,236,768	2,649,459	3,156,966
1993	3,775,578	563,279	1,417,625	2,301,115	2,727,326	3,254,992
1994	3,961,146	589,795	1,480,073	2,408,941	2,858,063	3,414,447
1995	4,244,607	617,065	1,554,788	2,540,094	3,021,884	3,624,997
1996	4,590,527	646,144	1,637,891	2,681,378	3,196,723	3,853,983
1997	5,023,457	695,465	1,755,857	2,872,056	3,426,350	4,150,631
1998	5,469,211	747,781	1,879,611	3,075,495	3,672,564	4,458,967
1999	5,909,329	783,164	1,982,021	3,256,494	3,897,565	4,756,509
2000	6,423,977	834,222	2,110,190	3,468,590	4,156,573	5,087,204
2001	6,241,036	861,750	2,170,001	3,550,447	4,244,543	5,146,740
2002	6,113,778	869,750	2,178,274	3,560,303	4,245,991	5,127,997
2003	6,287,586	879,735	2,209,359	3,624,117	4,326,911	5,233,019
2004	6,875,123	922,342	2,328,722	3,825,848	4,575,529	5,568,706
2005	7,507,958	963,135	2,438,504	4,020,948	4,824,024	5,916,248
2006	8,122,040	1,016,441	2,586,209	4,278,895	5,144,325	6,330,153
2007	8,798,500	1,078,287	2,753,146	4,570,661	5,503,958	6,790,241
2008	8,426,625	1,074,514	2,748,447	4,570,164	5,499,924	6,741,153

Footnotes at end of table.

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Table 6. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2008—Continued

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Total income tax (millions of dollars) [3]:						
1986	366,979	23,690	88,002	166,276	210,739	272,488
1987	369,046	22,391	85,189	163,816	209,404	277,488
1988	412,761	23,616	91,464	176,350	224,459	298,920
1989	432,838	25,239	98,580	191,380	242,650	323,579
1990	447,061	25,986	102,721	199,547	251,973	334,723
1991	448,349	24,554	101,837	198,067	253,869	337,081
1992	476,163	24,093	102,463	199,950	257,683	345,007
1993	502,720	24,157	104,203	204,912	264,637	356,884
1994	534,754	25,499	109,353	216,852	280,648	380,418
1995	588,331	27,106	115,523	230,929	300,590	410,296
1996	658,124	28,440	122,960	246,720	322,691	445,498
1997	727,303	31,134	133,296	267,664	350,062	486,064
1998	788,452	33,212	136,488	275,615	363,946	514,442
1999	877,292	35,126	144,402	294,290	390,828	559,874
2000	980,521	38,343	156,816	320,371	426,851	613,592
2001	887,882	35,239	151,826	311,719	415,059	586,984
2002	796,862	27,899	128,304	273,050	368,182	528,254
2003	747,932	25,912	120,564	255,486	341,341	491,597
2004	831,890	27,418	125,973	264,617	356,666	524,988
2005	934,703	28,673	130,930	277,618	376,942	566,571
2006	1,023,739	30,561	140,586	298,999	408,058	615,370
2007	1,115,504	32,261	149,630	321,073	439,212	664,579
2008	1,031,512	27,873	140,898	310,091	425,793	639,363
Average tax rate (percentage) [4]:						
1986	14.54	5.63	8.51	10.15	11.00	12.17
1987	13.12	5.09	7.71	9.23	10.01	11.25
1988	13.21	5.06	7.80	9.32	10.05	11.28
1989	13.12	5.11	7.92	9.51	10.19	11.43
1990	12.95	5.01	7.86	9.44	10.09	11.28
1991	12.75	4.61	7.59	9.12	9.87	11.04
1992	12.94	4.39	7.42	8.94	9.73	10.93
1993	13.32	4.29	7.35	8.90	9.70	10.96
1994	13.50	4.32	7.39	9.00	9.82	11.14
1995	13.86	4.39	7.43	9.09	9.95	11.32
1996	14.34	4.40	7.51	9.20	10.09	11.56
1997	14.48	4.48	7.59	9.32	10.22	11.71
1998	14.42	4.44	7.26	8.96	9.91	11.54
1999	14.85	4.49	7.29	9.04	10.03	11.77
2000	15.26	4.60	7.43	9.24	10.27	12.06
2001	14.23	4.09	7.00	8.78	9.78	11.41
2002	13.03	3.21	5.89	7.67	8.67	10.30
2003	11.90	2.95	5.46	7.05	7.89	9.39
2004	12.10	2.97	5.41	6.92	7.80	9.43
2005	12.45	2.98	5.37	6.90	7.81	9.58
2006	12.60	3.01	5.44	6.99	7.93	9.72
2007	12.68	2.99	5.43	7.02	7.98	9.79
2008	12.24	2.59	5.13	6.79	7.74	9.48

Footnotes at end of table.

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Table 6. Returns with Positive Adjusted Gross Income (AGI): Number of Returns, Shares of AGI and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size Using the Definition of AGI for Each Year, Tax Years 1986–2008—Continued

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
		(1)	(2)	(3)	(4)	(5)
Adjusted gross income share (percentage):						
1986	100.00	16.66	40.96	64.88	75.89	88.70
1987	100.00	15.63	39.25	63.10	74.33	87.68
1988	100.00	14.93	37.56	60.55	71.49	84.84
1989	100.00	14.96	37.72	61.00	72.16	85.81
1990	100.00	15.03	37.87	61.23	72.38	86.00
1991	100.00	15.13	38.15	61.80	73.17	87.01
1992	100.00	14.92	37.53	60.77	71.99	85.77
1993	100.00	14.92	37.55	60.95	72.24	86.21
1994	100.00	14.89	37.36	60.81	72.15	86.20
1995	100.00	14.54	36.63	59.84	71.19	85.40
1996	100.00	14.08	35.68	58.41	69.64	83.96
1997	100.00	13.84	34.95	57.17	68.21	82.63
1998	100.00	13.67	34.37	56.23	67.15	81.53
1999	100.00	13.25	33.54	55.11	65.96	80.49
2000	100.00	12.99	32.85	53.99	64.70	79.19
2001	100.00	13.81	34.77	56.89	68.01	82.47
2002	100.00	14.23	35.63	58.23	69.45	83.88
2003	100.00	13.99	35.14	57.64	68.82	83.23
2004	100.00	13.42	33.87	55.65	66.55	81.00
2005	100.00	12.83	32.48	53.56	64.25	78.80
2006	100.00	12.51	31.84	52.68	63.34	77.94
2007	100.00	12.26	31.29	51.95	62.56	77.18
2008	100.00	12.75	32.62	54.23	65.27	80.00
Total income tax share (percentage):						
1986	100.00	6.46	23.98	45.31	57.43	74.25
1987	100.00	6.07	23.08	44.39	56.74	75.19
1988	100.00	5.72	22.16	42.72	54.38	72.42
1989	100.00	5.83	22.78	44.22	56.06	74.76
1990	100.00	5.81	22.98	44.64	56.36	74.87
1991	100.00	5.48	22.71	44.18	56.62	75.18
1992	100.00	5.06	21.52	41.99	54.12	72.46
1993	100.00	4.81	20.73	40.76	52.64	70.99
1994	100.00	4.77	20.45	40.55	52.48	71.14
1995	100.00	4.61	19.64	39.25	51.09	69.74
1996	100.00	4.32	18.68	37.49	49.03	67.69
1997	100.00	4.28	18.33	36.80	48.13	66.83
1998	100.00	4.21	17.31	34.96	46.16	65.25
1999	100.00	4.00	16.46	33.55	44.55	63.82
2000	100.00	3.91	15.99	32.67	43.53	62.58
2001	100.00	3.97	17.10	35.11	46.75	66.11
2002	100.00	3.50	16.10	34.27	46.20	66.29
2003	100.00	3.46	16.12	34.16	45.64	65.73
2004	100.00	3.30	15.14	31.81	42.87	63.11
2005	100.00	3.07	14.01	29.70	40.33	60.62
2006	100.00	2.99	13.73	29.21	39.86	60.11
2007	100.00	2.89	13.41	28.78	39.37	59.58
2008	100.00	2.70	13.66	30.06	41.28	61.98

N/A—Not applicable.

[1] The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Table 1. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2008, there were 3,495 returns with no adjusted gross income that reported income tax.

[2] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[3] Total income tax is income tax after credits (includes alternative minimum tax) reported on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax, Form 8814 tax (tax on a child's interest or dividends), and Form 4972 tax (tax on lump-sum distributions from qualified retirement plans) reported on some returns with a negative amount for adjusted gross income. See also footnote 1.

[4] The average tax rate was computed by dividing total income tax (see footnote 4) by (positive) adjusted gross income.

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Table 7. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2008

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
		(1)	(2)	(3)	(4)	(5)
Number of returns [1]:						
1986	101,988,805	1,019,888	5,099,440	10,198,881	25,497,201	50,994,402
1987	106,191,624	1,061,916	5,309,581	10,619,162	26,547,906	53,095,812
1988	108,879,154	1,088,792	5,443,958	10,887,915	27,219,788	54,439,577
1989	111,328,835	1,113,288	5,566,442	11,132,884	27,832,209	55,664,418
1990	112,717,959	1,127,180	5,635,898	11,271,796	28,179,490	56,358,980
1991	113,823,123	1,138,231	5,691,156	11,382,312	28,455,781	56,911,562
1992	112,687,747	1,126,877	5,634,387	11,268,775	28,171,937	56,343,874
1993	113,721,706	1,137,217	5,686,085	11,372,171	28,430,426	56,860,853
1994	115,061,112	1,150,611	5,753,056	11,506,111	28,765,278	57,530,556
1995	117,333,779	1,173,338	5,866,689	11,733,378	29,333,445	58,666,889
1996	119,487,813	1,194,878	5,974,391	11,948,781	29,871,953	59,743,906
1997	121,555,156	1,215,552	6,077,758	12,155,516	30,388,789	60,777,578
1998	123,852,016	1,238,520	6,192,601	12,385,202	30,963,004	61,926,008
1999	126,107,596	1,261,076	6,305,380	12,610,760	31,526,899	63,053,798
2000	128,340,271	1,283,403	6,417,014	12,834,027	32,085,068	64,170,135
2001	128,863,007	1,288,630	6,443,150	12,886,301	32,215,752	64,431,504
2002	128,415,184	1,284,152	6,420,759	12,841,518	32,103,796	64,207,592
2003	128,757,145	1,287,571	6,437,857	12,875,715	32,189,286	64,378,573
2004	130,508,966	1,305,090	6,525,448	13,050,897	32,627,242	65,254,483
2005	132,730,734	1,327,307	6,636,537	13,273,073	33,182,684	66,365,367
2006	135,854,749	1,358,547	6,792,737	13,585,475	33,963,687	67,927,375
2007	[2] 141,252,080	1,412,521	7,062,604	14,125,208	35,313,020	70,626,040
2008	140,118,702	1,401,187	7,005,935	14,011,870	35,029,676	70,059,351
Income floor on percentiles (current dollars):						
1986	N/A	147,863	68,362	52,035	33,623	17,909
1987	N/A	145,624	69,222	53,094	34,165	17,959
1988	N/A	161,774	73,451	55,532	35,432	18,534
1989	N/A	169,603	77,542	58,429	36,783	19,152
1990	N/A	174,813	80,400	60,623	38,026	19,947
1991	N/A	180,268	83,300	62,413	38,913	20,302
1992	N/A	197,031	87,370	65,283	40,423	21,041
1993	N/A	199,698	88,992	66,685	41,013	21,390
1994	N/A	210,742	93,186	69,118	42,480	22,000
1995	N/A	224,523	98,420	72,210	43,860	22,575
1996	N/A	246,268	103,489	75,574	45,508	23,378
1997	N/A	268,889	110,949	79,598	47,738	24,551
1998	N/A	301,513	120,262	84,904	50,232	25,612
1999	N/A	332,253	126,643	89,172	52,399	26,487
2000	N/A	353,945	134,128	93,715	54,592	27,647
2001	N/A	323,861	131,728	93,633	55,203	28,404
2002	N/A	315,937	132,253	93,833	55,695	28,541
2003	N/A	327,160	134,818	96,021	56,573	28,896
2004	N/A	363,905	142,975	100,957	59,112	29,899
2005	N/A	402,354	152,048	105,958	61,055	30,588
2006	N/A	437,036	162,043	111,560	63,694	31,693
2007	N/A	458,846	168,478	115,564	65,340	32,400
2008	N/A	429,502	166,540	116,010	65,824	32,545

Footnotes at end of table.

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Table 7. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2008—Continued

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
		(1)	(2)	(3)	(4)	(5)
Income floor on percentiles (constant dollars): [3]						
1986	N/A	134,912	62,374	47,477	30,678	16,340
1987	N/A	128,190	60,935	46,738	30,075	15,809
1988	N/A	136,749	62,089	46,942	29,951	15,667
1989	N/A	136,777	62,534	47,120	29,664	15,445
1990	N/A	133,751	61,515	46,383	29,094	15,262
1991	N/A	132,355	61,160	45,825	28,571	14,906
1992	N/A	140,436	62,274	46,531	28,812	14,997
1993	N/A	138,199	61,586	46,149	28,383	14,803
1994	N/A	142,201	62,879	46,638	28,664	14,845
1995	N/A	147,325	64,580	47,382	28,780	14,813
1996	N/A	156,959	65,959	48,167	29,004	14,900
1997	N/A	167,532	69,127	49,594	29,743	15,297
1998	N/A	183,962	73,375	51,802	30,648	15,627
1999	N/A	199,432	76,016	53,525	31,452	15,899
2000	N/A	205,543	77,891	54,422	31,703	16,055
2001	N/A	182,869	74,381	52,870	31,171	16,038
2002	N/A	175,618	73,515	52,158	30,959	15,865
2003	N/A	177,804	73,271	52,185	30,746	15,704
2004	N/A	192,644	75,688	53,445	31,293	15,828
2005	N/A	206,018	77,854	54,254	31,262	15,662
2006	N/A	216,784	80,378	55,337	31,594	15,721
2007	N/A	221,344	81,273	55,747	31,520	15,630
2008	N/A	199,490	77,353	53,883	30,573	15,116
Income (millions of current dollars):						
1986	2,804,691	427,513	796,935	1,097,550	1,732,231	2,368,620
1987	2,856,118	363,880	749,240	1,067,438	1,741,747	2,411,715
1988	3,153,639	484,675	911,170	1,255,108	1,973,061	2,683,524
1989	3,336,571	486,976	947,363	1,317,619	2,085,003	2,838,481
1990	3,497,118	504,687	987,582	1,376,162	2,182,091	2,973,847
1991	3,577,337	478,756	985,590	1,390,924	2,224,979	3,038,428
1992	3,763,002	556,421	1,090,019	1,509,728	2,369,701	3,206,490
1993	3,849,532	554,075	1,105,014	1,537,285	2,422,475	3,278,866
1994	4,033,642	579,564	1,161,972	1,617,250	2,544,400	3,436,167
1995	4,317,506	653,717	1,284,726	1,772,890	2,754,988	3,692,267
1996	4,670,644	772,868	1,462,979	1,984,931	3,025,107	4,015,461
1997	5,112,706	918,007	1,679,877	2,242,353	3,353,245	4,409,075
1998	5,626,390	1,072,779	1,925,214	2,542,399	3,742,006	4,869,467
1999	6,082,931	1,236,081	2,166,370	2,825,789	4,099,929	5,290,805
2000	6,601,494	1,424,436	2,430,957	3,138,299	4,495,910	5,758,808
2001	6,361,523	1,159,037	2,121,055	2,828,677	4,202,776	5,491,703
2002	6,262,714	1,057,775	2,005,658	2,712,226	4,092,069	5,383,263
2003	6,429,711	1,122,582	2,091,401	2,813,645	4,226,517	5,539,087
2004	7,044,141	1,383,978	2,453,830	3,228,229	4,726,625	6,111,786
2005	7,701,103	1,678,406	2,863,229	3,694,152	5,278,659	6,729,456
2006	8,365,645	1,900,311	3,202,445	4,101,178	5,798,340	7,340,135
2007	9,048,579	2,121,037	3,533,346	4,502,869	6,324,119	7,963,204
2008	8,657,921	1,802,841	3,157,272	4,117,545	5,937,731	7,574,417

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Table 7. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2008—Continued

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Total income tax (millions of current dollars) [4]:						
1986	366,763	93,128	155,553	198,862	277,578	342,296
1987	368,924	89,908	158,485	204,050	282,970	346,228
1988	412,549	112,208	186,793	235,121	320,152	388,631
1989	432,643	107,508	188,588	240,229	333,285	407,106
1990	446,906	110,530	192,991	245,856	342,926	420,345
1991	448,177	107,926	192,548	246,745	345,168	423,180
1992	476,067	127,361	216,303	272,361	372,352	451,494
1993	502,638	142,329	235,908	294,238	397,261	477,997
1994	534,693	150,133	250,770	314,909	423,743	508,540
1995	588,292	173,877	284,036	354,427	471,035	560,748
1996	658,059	208,071	331,404	407,726	532,750	628,918
1997	731,123	238,978	376,046	459,674	595,060	699,131
1998	783,437	262,464	413,303	503,577	644,182	749,547
1999	877,199	307,382	479,531	577,903	729,679	841,172
2000	980,459	355,911	546,102	654,155	819,937	941,304
2001	887,770	291,907	466,057	570,430	732,094	851,539
2002	796,763	259,192	420,834	517,937	664,670	767,890
2003	747,800	248,107	400,202	487,657	624,070	720,861
2004	831,815	297,199	467,728	562,092	702,203	803,521
2005	934,524	359,060	549,667	651,220	800,022	904,857
2006	1,023,556	396,274	605,877	717,713	878,565	991,763
2007	1,115,338	437,537	665,659	786,765	961,228	1,081,951
2008	1,031,252	378,608	594,941	713,703	885,883	1,002,156
Average tax rate (percentage) [5]:						
1986	13.08	21.78	19.52	18.12	16.02	14.45
1987	12.92	24.71	21.15	19.12	16.25	14.36
1988	13.08	23.15	20.50	18.73	16.23	14.48
1989	12.97	22.08	19.91	18.23	15.98	14.34
1990	12.78	21.90	19.54	17.87	15.72	14.13
1991	12.53	22.54	19.54	17.74	15.51	13.93
1992	12.65	22.89	19.84	18.04	15.71	14.08
1993	13.06	25.69	21.35	19.14	16.40	14.58
1994	13.26	25.90	21.58	19.47	16.65	14.80
1995	13.63	26.60	22.11	19.99	17.10	15.19
1996	14.09	26.92	22.65	20.54	17.61	15.66
1997	14.30	26.03	22.39	20.50	17.75	15.86
1998	13.92	24.47	21.47	19.81	17.21	15.39
1999	14.42	24.87	22.14	20.45	17.80	15.90
2000	14.85	24.99	22.46	20.84	18.24	16.35
2001	13.96	25.19	21.97	20.17	17.42	15.51
2002	12.72	24.50	20.98	19.10	16.24	14.26
2003	11.63	22.10	19.14	17.33	14.77	13.01
2004	11.81	21.47	19.06	17.41	14.86	13.15
2005	12.13	21.39	19.20	17.63	15.16	13.45
2006	12.24	20.85	18.92	17.50	15.15	13.51
2007	12.33	20.63	18.84	17.47	15.20	13.59
2008	11.91	21.00	18.84	17.33	14.92	13.23

Footnotes at end of table.

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Table 7. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, Income Floor on Percentiles in Current and Constant Dollars, and Average Tax Rates, by Selected Descending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2008—Continued

[All figures are estimates based on samples]

Item, tax year	Total	Descending cumulative percentiles				
		Top 1 percent	Top 5 percent	Top 10 percent	Top 25 percent	Top 50 percent
		(1)	(2)	(3)	(4)	(5)
Income share (percentage):						
1986	100.00	15.24	28.41	39.13	61.76	84.45
1987	100.00	12.74	26.23	37.37	60.98	84.44
1988	100.00	15.37	28.89	39.80	62.56	85.09
1989	100.00	14.60	28.39	39.49	62.49	85.07
1990	100.00	14.43	28.24	39.35	62.40	85.04
1991	100.00	13.38	27.55	38.88	62.20	84.94
1992	100.00	14.79	28.97	40.12	62.97	85.21
1993	100.00	14.39	28.71	39.93	62.93	85.18
1994	100.00	14.37	28.81	40.09	63.08	85.19
1995	100.00	15.14	29.76	41.06	63.81	85.52
1996	100.00	16.55	31.32	42.50	64.77	85.97
1997	100.00	17.96	32.86	43.86	65.59	86.24
1998	100.00	19.07	34.22	45.19	66.51	86.55
1999	100.00	20.32	35.61	46.45	67.40	86.98
2000	100.00	21.58	36.82	47.54	68.10	87.23
2001	100.00	18.22	33.34	44.47	66.07	86.33
2002	100.00	16.89	32.03	43.31	65.34	85.96
2003	100.00	17.46	32.53	43.76	65.73	86.15
2004	100.00	19.65	34.84	45.83	67.10	86.76
2005	100.00	21.79	37.18	47.97	68.54	87.38
2006	100.00	22.72	38.28	49.02	69.31	87.74
2007	100.00	23.44	39.05	49.76	69.89	88.01
2008	100.00	20.82	36.47	47.56	68.58	87.49
Total income tax share (percentage):						
1986	100.00	25.39	42.41	54.22	75.68	93.33
1987	100.00	24.37	42.96	55.31	76.70	93.85
1988	100.00	27.20	45.28	56.99	77.60	94.20
1989	100.00	24.85	43.59	55.53	77.03	94.10
1990	100.00	24.73	43.18	55.01	76.73	94.06
1991	100.00	24.08	42.96	55.06	77.02	94.42
1992	100.00	26.75	45.44	57.21	78.21	94.84
1993	100.00	28.32	46.93	58.54	79.04	95.10
1994	100.00	28.08	46.90	58.90	79.25	95.11
1995	100.00	29.56	48.28	60.25	80.07	95.32
1996	100.00	31.62	50.36	61.96	80.96	95.57
1997	100.00	32.69	51.43	62.87	81.39	95.62
1998	100.00	33.50	52.76	64.28	82.23	95.67
1999	100.00	35.04	54.67	65.88	83.18	95.89
2000	100.00	36.30	55.70	66.72	83.63	96.01
2001	100.00	32.88	52.50	64.25	82.46	95.92
2002	100.00	32.53	52.82	65.01	83.42	96.38
2003	100.00	33.18	53.52	65.21	83.45	96.40
2004	100.00	35.73	56.23	67.57	84.42	96.60
2005	100.00	38.42	58.82	69.68	85.61	96.83
2006	100.00	38.72	59.19	70.12	85.83	96.89
2007	100.00	39.23	59.68	70.54	86.18	97.01
2008	100.00	36.71	57.69	69.21	85.90	97.18

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Table 8. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2008

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns: [1]						
1986	101,988,805	50,994,402	76,491,604	91,789,924	96,889,365	100,968,917
1987	106,191,624	53,095,812	79,643,718	95,572,462	100,882,043	105,129,708
1988	108,879,154	54,439,577	81,659,366	97,991,239	103,435,196	107,790,362
1989	111,328,835	55,664,417	83,496,626	100,195,951	105,762,393	110,215,547
1990	112,717,959	56,358,980	84,538,469	101,446,163	107,082,061	111,590,779
1991	113,823,123	56,911,562	85,367,342	102,440,811	108,131,967	112,684,892
1992	112,687,747	56,343,874	84,515,810	101,418,972	107,053,360	111,560,870
1993	113,721,706	56,860,853	85,291,280	102,349,535	108,035,621	112,584,489
1994	115,061,112	57,530,556	86,295,834	103,555,001	109,308,056	113,910,501
1995	117,333,779	58,666,890	88,000,334	105,600,401	111,467,090	116,160,441
1996	119,487,813	59,743,907	89,615,860	107,539,032	113,513,422	118,292,935
1997	121,555,156	60,777,578	91,166,367	109,399,640	115,477,398	120,339,604
1998	123,852,016	61,926,008	92,889,012	111,466,814	117,659,415	122,613,496
1999	126,107,596	63,053,798	94,580,697	113,496,836	119,802,216	124,846,520
2000	128,340,271	64,170,135	96,255,203	115,506,243	121,923,257	127,056,868
2001	128,863,007	64,431,504	96,647,255	115,976,706	122,419,857	127,574,377
2002	128,415,184	64,207,592	96,311,388	115,573,666	121,994,425	127,131,032
2003	128,757,145	64,378,573	96,567,859	115,881,431	122,319,288	127,469,574
2004	130,508,966	65,254,483	97,881,725	117,458,069	123,983,518	129,203,876
2005	132,730,734	66,365,367	99,548,051	119,457,661	126,094,197	131,403,427
2006	135,854,749	67,927,375	101,891,062	122,269,274	129,062,012	134,496,202
2007	[2] 141,252,080	70,626,040	105,939,060	127,126,872	134,189,476	139,839,559
2008	140,118,702	70,059,351	105,089,027	126,106,832	133,112,767	138,717,515
Income (millions of current dollars):						
1986	2,804,691	436,071	1,072,460	1,707,142	2,007,756	2,377,178
1987	2,856,118	444,403	1,114,372	1,788,680	2,106,878	2,492,238
1988	3,153,639	470,115	1,180,578	1,898,531	2,242,469	2,668,964
1989	3,336,571	498,089	1,251,567	2,018,952	2,389,207	2,849,595
1990	3,497,118	523,271	1,315,027	2,120,956	2,509,535	2,992,431
1991	3,577,337	538,910	1,352,358	2,186,413	2,591,748	3,098,582
1992	3,763,002	556,512	1,393,300	2,253,273	2,672,983	3,206,581
1993	3,849,532	570,666	1,427,057	2,312,247	2,744,518	3,295,456
1994	4,033,642	597,475	1,489,242	2,416,392	2,871,670	3,454,078
1995	4,317,506	625,239	1,562,518	2,544,615	3,032,780	3,663,789
1996	4,670,644	655,183	1,645,537	2,685,713	3,207,665	3,897,777
1997	5,112,706	703,631	1,759,461	2,870,353	3,432,828	4,194,699
1998	5,626,390	756,923	1,884,384	3,083,991	3,701,176	4,553,611
1999	6,082,931	792,125	1,983,002	3,257,142	3,916,561	4,846,850
2000	6,601,494	842,686	2,105,584	3,463,195	4,170,537	5,177,058
2001	6,361,523	869,820	2,158,748	3,532,846	4,240,468	5,202,486
2002	6,262,714	879,451	2,170,646	3,550,488	4,257,056	5,204,939
2003	6,429,711	890,624	2,203,193	3,616,066	4,338,310	5,307,129
2004	7,044,141	932,354	2,317,516	3,815,911	4,590,311	5,660,163
2005	7,701,103	971,647	2,422,444	4,006,951	4,837,875	6,022,698
2006	8,365,645	1,025,509	2,567,304	4,264,467	5,163,200	6,465,334
2007	9,048,579	1,085,375	2,724,460	4,545,709	5,515,232	6,927,542
2008	8,657,921	1,083,504	2,720,190	4,540,376	5,500,649	6,855,080

Footnotes at end of table.

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Table 8. Returns with Positive "1979 Income Concept" Income: Number of Returns, Shares of Income and Total Income Tax, and Average Tax Rates, by Selected Ascending Cumulative Percentiles of Returns Based on Income Size, Tax Years 1986–2008—Continued

[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
		(1)	(2)	(3)	(4)	(5)
Total income tax (millions of current dollars): [3]						
1986	366,763	24,467	89,186	167,901	211,210	273,635
1987	368,924	22,696	85,954	164,874	210,439	279,016
1988	412,549	23,918	92,397	177,429	225,756	300,341
1989	432,643	25,537	99,358	192,414	244,055	325,135
1990	446,906	26,562	103,980	201,050	253,915	336,376
1991	448,177	24,997	103,009	201,432	255,629	340,251
1992	476,067	24,573	103,715	203,706	259,764	348,706
1993	502,638	24,641	105,377	208,400	266,730	360,309
1994	534,693	26,153	110,950	219,783	283,923	384,560
1995	588,292	27,544	117,257	233,864	304,256	414,415
1996	658,059	29,142	125,310	250,333	326,655	449,988
1997	731,123	31,992	136,063	271,450	355,078	492,146
1998	783,437	33,889	139,249	279,860	370,134	520,973
1999	877,199	36,027	147,520	299,294	397,669	569,817
2000	980,459	39,155	160,521	326,304	434,357	624,548
2001	887,770	36,230	155,676	317,341	421,713	595,863
2002	796,763	28,872	132,093	278,827	375,930	537,571
2003	747,800	26,939	123,731	260,143	347,598	499,694
2004	831,815	28,294	129,610	269,723	364,087	534,616
2005	934,524	29,668	134,499	283,305	384,857	575,464
2006	1,023,556	31,796	144,991	305,843	417,680	627,282
2007	1,115,338	33,387	154,109	328,573	449,679	677,801
2008	1,031,252	29,093	145,369	317,549	436,311	652,645
Average tax rate (percentage): [4]						
1986	13.08	5.61	8.32	9.84	10.52	11.51
1987	12.92	5.11	7.71	9.22	9.99	11.20
1988	13.08	5.09	7.83	9.35	10.07	11.25
1989	12.97	5.13	7.94	9.53	10.21	11.41
1990	12.78	5.08	7.91	9.48	10.12	11.24
1991	12.53	4.64	7.62	9.21	9.86	10.98
1992	12.65	4.42	7.44	9.04	9.72	10.87
1993	13.06	4.32	7.38	9.01	9.72	10.93
1994	13.26	4.38	7.45	9.10	9.89	11.13
1995	13.63	4.41	7.50	9.19	10.03	11.31
1996	14.09	4.45	7.62	9.32	10.18	11.54
1997	14.30	4.55	7.73	9.46	10.34	11.73
1998	13.92	4.48	7.39	9.07	10.00	11.44
1999	14.42	4.55	7.44	9.19	10.15	11.76
2000	14.85	4.65	7.62	9.42	10.41	12.06
2001	13.96	4.17	7.21	8.98	9.95	11.45
2002	12.72	3.28	6.09	7.85	8.83	10.33
2003	11.63	3.02	5.62	7.19	8.01	9.42
2004	11.81	3.03	5.59	7.07	7.93	9.45
2005	12.13	3.05	5.55	7.07	7.96	9.55
2006	12.24	3.10	5.65	7.17	8.09	9.70
2007	12.33	3.08	5.66	7.23	8.15	9.78
2008	11.91	2.69	5.34	6.99	7.93	9.52

Footnotes at end of table.

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[All figures are estimates based on samples]

Item, tax year	Total	Ascending cumulative percentiles				
		Bottom 50 percent	Bottom 75 percent	Bottom 90 percent	Bottom 95 percent	Bottom 99 percent
		(1)	(2)	(3)	(4)	(5)
Income share (percentage):						
1986	100.00	15.55	38.24	60.87	71.59	84.76
1987	100.00	15.56	39.02	62.63	73.77	87.26
1988	100.00	14.91	37.44	60.20	71.11	84.63
1989	100.00	14.93	37.51	60.51	71.61	85.40
1990	100.00	14.96	37.60	60.65	71.76	85.57
1991	100.00	15.06	37.80	61.12	72.45	86.62
1992	100.00	14.79	37.03	59.88	71.03	85.21
1993	100.00	14.82	37.07	60.07	71.29	85.61
1994	100.00	14.81	36.92	59.91	71.19	85.63
1995	100.00	14.48	36.19	58.94	70.24	84.86
1996	100.00	14.03	35.23	57.50	68.68	83.45
1997	100.00	13.76	34.41	56.14	67.14	82.04
1998	100.00	13.45	33.49	54.81	65.78	80.93
1999	100.00	13.02	32.60	53.55	64.39	79.68
2000	100.00	12.77	31.90	52.46	63.18	78.42
2001	100.00	13.67	33.93	55.53	66.66	81.78
2002	100.00	14.04	34.66	56.69	67.97	83.11
2003	100.00	13.85	34.27	56.24	67.47	82.54
2004	100.00	13.24	32.90	54.17	65.16	80.35
2005	100.00	12.62	31.46	52.03	62.82	78.21
2006	100.00	12.26	30.69	50.98	61.72	77.28
2007	100.00	12.00	30.11	50.24	60.95	76.56
2008	100.00	12.51	31.42	52.44	63.53	79.18
Total income tax share (percentage):						
1986	100.00	6.67	24.32	45.78	57.59	74.61
1987	100.00	6.15	23.30	44.69	57.04	75.63
1988	100.00	5.80	22.40	43.01	54.72	72.80
1989	100.00	5.90	22.97	44.47	56.41	75.15
1990	100.00	5.94	23.27	44.99	56.82	75.27
1991	100.00	5.58	22.98	44.94	57.04	75.92
1992	100.00	5.16	21.79	42.79	54.56	73.25
1993	100.00	4.90	20.96	41.46	53.07	71.68
1994	100.00	4.89	20.75	41.10	53.10	71.92
1995	100.00	4.68	19.93	39.75	51.72	70.44
1996	100.00	4.43	19.04	38.04	49.64	68.38
1997	100.00	4.38	18.61	37.13	48.57	67.31
1998	100.00	4.33	17.77	35.72	47.24	66.50
1999	100.00	4.11	16.82	34.12	45.33	64.96
2000	100.00	3.99	16.37	33.28	44.30	63.70
2001	100.00	4.08	17.54	35.75	47.50	67.12
2002	100.00	3.62	16.58	34.99	47.18	67.47
2003	100.00	3.60	16.55	34.79	46.48	66.82
2004	100.00	3.40	15.58	32.43	43.77	64.27
2005	100.00	3.17	14.39	30.32	41.18	61.58
2006	100.00	3.11	14.17	29.88	40.81	61.28
2007	100.00	2.99	13.82	29.46	40.32	60.77
2008	100.00	2.82	14.10	30.79	42.31	63.29

[1] The number of returns with negative adjusted gross income, i.e., returns with an adjusted gross deficit, and the corresponding amounts for adjusted gross deficit, were excluded from Table 8. By excluding deficit returns, alternative minimum tax reported on some of these returns was also excluded. For Tax Year 2008, there were 3,495 returns with no adjusted gross income that reported income tax.

[2] The total number of returns does not include the returns filed by individuals to only receive the economic stimulus payment and who had no other reason to file.

[3] Total income tax is income tax after credits (includes alternative minimum tax) reported on returns that showed a positive amount for adjusted gross income. Therefore, total income tax excludes alternative minimum tax, Form 8814 tax (tax on a child's interest or dividends), and Form 4972 tax (tax on lump-sum distributions from qualified retirement plans) reported on some returns with a negative amount for adjusted gross income. See also footnote 1.

[4] The average tax rate was computed by dividing total income tax (see footnote 3) by (positive) adjusted gross income.

Individual Noncash Contributions, 2008

by Pearson Liddell and Janette Wilson

For Tax Year 2008, 23.0 million individual tax payers who itemized deductions reported \$40.4 billion in deductions for noncash charitable contributions.¹ Of these taxpayers, 7.0 million reported \$34.6 billion in deductions for charitable contributions on Form 8283, *Noncash Charitable Contributions*. This form is used by individual taxpayers when the amount of taxpayer deductions for all non-cash donations on Schedule A, *Itemized Deductions*, exceeds \$500. The number of taxpayers filing Form 8283 increased slightly, by 1.2 percent, from 6.9 million in Tax Year 2007, while the amount of donations decreased 34.5 percent from \$52.8 billion in 2007. Between Tax Years 2007 and 2008, corporate stock donations declined 48.0 percent, from \$23.7 billion to \$12.3 billion. For Tax Year 2008, there were no notable tax law changes that affected the deductions allowed for noncash charitable contributions.

Despite the decline in corporate stock donations since Tax Year 2007, corporate stock donations accounted for the largest percentage of total noncash donations in Tax Year 2008. Clothing donations of \$7.9 billion accounted for the second largest percentage of total noncash donations (22.9 percent), followed by household item donations of \$3.1 billion, 9.1 percent of total noncash donations (Figure A). The average corporate stock donation was \$99,912 per return, and, while clothing and household items together represented 32.0 percent of all donations claimed, the average donation, per return, of clothing and household items was much smaller at \$1,457 and \$1,286, respectively. The highest average deduction per return was for investment donations (excluding stock and mutual funds) of \$531,842, followed by conservation easement donations of \$380,541.²

As stated above, although the number of taxpayers claiming donations increased 1.2 percent from 6.9 million in Tax Year 2007 to 7.0 million in 2008, the amount of donations claimed declined 34.5 percent from \$52.8 billion to \$34.6 billion in 2008 (Figure B). Corporate stock and clothing donations represented the highest amounts claimed for both Tax

Years 2007 and 2008. Donations of corporate stock declined 48.0 percent from \$23.7 billion in Tax Year 2007 to \$12.3 billion in 2008; as a proportion, donations of corporate stock decreased from 44.9 percent of all donations in 2007 to 35.7 percent in Tax Year 2008. In contrast, the amount taxpayers claimed for clothing donations increased 3.9 percent from \$7.6 billion in Tax Year 2007 to \$7.9 billion in Tax Year 2008; these donations represented 14.4 percent of all donations in Tax Year 2007 and 22.9 percent in 2008. Donations of household items decreased 20.1 percent from \$3.9 billion in Tax Year 2007 to \$3.1 billion in 2008. In terms of the amount claimed, household donations were the third largest category of donations in 2008, up from fourth largest in Tax Year 2007. From Tax Year 2007 to 2008, land donations decreased 63.2 percent from \$4.0 billion to \$1.5 billion. As a proportion of all donations, land donations decreased from 7.7 percent in 2007 to 4.3 percent in 2008.

Figure B also shows some other significant changes between Tax Years 2007 and 2008. Taxpayer donations of mutual funds declined 59.0 percent from \$1.4 billion in Tax Year 2007 to \$0.6 billion in 2008. In addition, land (as stated above) and easement donations also declined substantially. The amount deducted for all easement donations declined 44.1 percent from \$2.2 billion in Tax Year 2007 to \$1.2 billion in 2008. The amount claimed for car donations declined 23.2 percent between Tax Years 2007 and 2008, from \$0.6 billion to \$0.4 billion.

In terms of average donations per return, the overall average amount claimed decreased between Tax Years 2007 and 2008, from \$7,617 to \$4,930. Average corporate stock donations decreased between the 2 tax years, from \$117,458 to \$99,912. Although the amount that taxpayers claimed for mutual funds and other investments declined between Tax Years 2007 and 2008, average donations per return increased for both categories, from \$100,205 to \$129,776 for mutual funds and \$461,783 to \$531,842 for other investments. The average donation of land per return declined significantly from \$518,156 in 2007 to \$164,944 in 2008. In addition, the average easement donation per return declined from \$885,061 in Tax Year 2007 to \$284,488 in 2008.

Pearson Liddell and Janette Wilson are economists with the Individual Research Section. This article was prepared under the direction of Michael Strudler, Chief.

¹ For further details on Tax Year 2008 individual income and tax statistics, see *Statistics of Income—2008, Individual Income Tax Returns* (IRS Publication 1304).

² The deduction amounts reported in this article include the amount carried to Schedule A for reporting itemized deductions.

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Figure A

Individual Noncash Charitable Contributions: All Returns with Donations, by Donation Type, Form 8283, Tax Year 2008

[Money amounts are in thousands of dollars—average amounts are in whole dollars]

Type of donation	Number of returns [1]	Number of donations	Amount carried to Schedule A	Average amount per return	Average amount per donation	Percentage of number of donations	Percentage of amount carried to Schedule A
All donations	7,017,933	19,478,520	34,597,290	4,930	1,776	100.0	100.0
Corporate stock	123,510	268,344	12,340,093	99,912	45,986	1.4	35.7
Mutual funds	4,482	8,499	581,662	129,776	68,441	[2]	1.7
Other investments	3,654	5,498	1,943,447	531,842	353,504	[2]	5.6
Real estate	9,423	9,828	857,130	90,966	87,211	0.1	2.5
Land	9,023	9,626	1,488,312	164,944	154,610	[2]	4.3
Conservation easements	3,095	3,158	1,177,753	380,541	372,925	[2]	3.4
Facade easements	1,180	1,396	38,290	32,462	27,423	[2]	0.1
Art and collectibles	92,518	129,532	1,351,382	14,607	10,433	0.7	3.9
Food	233,128	377,958	116,550	500	308	1.9	0.3
Clothing	5,431,988	11,956,236	7,914,117	1,457	662	61.4	22.9
Accessories	43,026	60,574	25,693	597	424	0.3	0.1
Electronics	467,925	589,041	432,403	924	734	3.0	1.2
Household items	2,435,153	4,441,990	3,131,977	1,286	705	22.8	9.1
Cars	236,667	251,970	443,729	1,875	1,761	1.3	1.3
Other vehicles	18,562	19,166	129,468	6,975	6,755	0.1	0.4
Services	29,044	48,716	60,558	2,085	1,243	0.3	0.2
Airline tickets and miles	3,925	3,953	3,282	836	830	[2]	[2]
Other [3]	831,030	1,293,034	2,561,445	3,082	1,981	6.6	7.4

[1] Total number of returns does not equal the sum of returns by donation type because a return could have more than one type of donation.

[2] Less than 0.05 percent.

[3] Other donations include donations of intellectual property.

Taxpayers with adjusted gross income (AGI) of \$10 million or more collectively deducted 6.1 percent of their AGI in noncash contributions, claiming \$9.2 billion on approximately 4,250 Forms 8283 (Figure C). Donations from this group of taxpayers represented 26.7 percent of all individual taxpayer donations in Tax Year 2008. Taxpayers in the \$100,000 to \$200,000 AGI group gave \$5.7 billion (1.7 percent of their AGI) on 2.5 million tax returns, which represented 16.4 percent of all donations claimed. Those taxpayers in the \$200,000 to \$500,000 AGI category gave \$3.8 billion (11.0 percent of donations claimed). Overall, the average donation amount for all taxpayers claiming donation deductions was \$4,930 per return. Taxpayers with AGI of \$10 million or more claimed \$2.2 million per return, followed by an average donation of just over \$320,000 by those in the \$5 million to \$10 million AGI group.

A comparison of donation amounts by AGI group across Tax Years 2007 and 2008 is shown in Figure D. Overall donations decreased 34.5 percent

between Tax Years 2007 and 2008, as cited above, and most AGI groups showed a decrease in the amount of donations reported. There were some exceptions, the most notable being donations claimed by taxpayers in the under \$25,000 AGI groups, whose donation amounts increased 60.1 percent between Tax Years 2007 and 2008, from \$0.9 billion to \$1.4 billion. Almost all of this increase was for taxpayers with negative AGI. Donations claimed by those taxpayers with AGI greater than \$10 million declined 47.6 percent, from \$17.6 billion in Tax Year 2007 to \$9.2 billion in 2008. This decline was in conjunction with the AGI for this income group decreasing by 38.7 percent, from \$245.9 billion in Tax Year 2007 to \$150.7 billion in 2008. Despite this decrease, donations made by this group still represented more than one-fourth (26.7 percent) of all donations claimed in 2008; donations made by this group were one-third of all donations in 2007. Taxpayers making \$10 million or more in AGI donated 6.1 percent of their AGI in 2008, compared with 7.2 percent in

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Figure B

Individual Noncash Charitable Contributions: All Returns with Donations, by Donation Type, Form 8283, Tax Years 2007 and 2008

[Money amounts are in thousands of dollars]

Type of donation	2007		2008		Percentage change	
	Number of returns [1]	Amount carried to Schedule A	Number of returns [1]	Amount carried to Schedule A	Number of returns [1]	Amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)
All donations	6,935,871	52,827,286	7,017,933	34,597,290	1.2	-34.5
Corporate stock	202,019	23,728,784	123,510	12,340,093	-38.9	-48.0
Mutual funds	14,160	1,418,878	4,482	581,662	-68.3	-59.0
Other investments	4,215	1,946,378	3,654	1,943,447	-13.3	-0.2
Real estate	8,552	1,896,978	9,423	857,130	10.2	-54.8
Land	7,811	4,047,464	9,023	1,488,312	15.5	-63.2
Conservation easements	2,231	1,954,122	3,095	1,177,753	38.7	-39.7
Façade easements	228	222,269	1,180	38,290	417.3	-82.8
Art and collectibles	69,762	997,996	92,518	1,351,382	32.6	35.4
Food	204,943	98,698	233,128	116,550	13.8	18.1
Clothing	5,283,547	7,613,709	5,431,988	7,914,117	2.8	3.9
Accessories	57,022	103,577	43,026	25,693	-24.5	-75.2
Electronics	471,594	372,087	467,925	432,403	-0.8	16.2
Household items	2,404,979	3,920,893	2,435,153	3,131,977	1.3	-20.1
Cars	317,632	578,113	236,667	443,729	-25.5	-23.2
Other vehicles	10,279	116,514	18,562	129,468	80.6	11.1
Services	19,117	56,546	29,044	60,558	51.9	7.1
Airline tickets and miles	1,558	3,712	3,925	3,282	151.9	-11.6
Other [2]	807,473	3,750,570	831,030	2,561,445	2.9	-31.7

[1] Total number of returns does not equal the sum of returns by donation type because a return could have more than one type of donation.

[2] Other donations include donations of intellectual property.

Tax Year 2007. Donations by those taxpayers in the \$100,000 to \$200,000 and \$200,000 to \$500,000 AGI groups also declined by 7.3 percent and 42.6 percent, respectively, between Tax Years 2007 and 2008, from \$6.1 billion to \$5.7 billion for the former group, and from \$6.6 billion to \$3.8 billion for the latter group. Donations claimed by taxpayers in the \$5 million to \$10 million AGI group decreased 50.9 percent, from \$3.7 billion in Tax Year 2007 to \$1.8 billion in 2008. Lastly, taxpayers with AGI between \$2 million and \$5 million had the largest percentage decline in the amount of noncash contributions for 2008, with donated amounts falling by 51.9 percent from 2007 levels.³

Information on donee organizations is presented in Figures E, F, and G. Figure E shows that, for Tax Year 2008, most donations, in terms of amount

claimed, were given to large organizations and foundations (\$8.6 billion and \$8.1 billion, respectively). Donations to large organizations represented 25.0 percent of the total donation amount, and donations to foundations represented 23.3 percent. The largest average donation of \$76,170 per return was made to foundations; in contrast, the average donation to large organizations was about \$1,620, second lowest only to \$1,525 for donations to health and medical research organizations. The second highest average donation amount was made to donor-advised funds (just over \$70,000). However, in contrast to foundation donations, donor-advised funds received only 4.6 percent of the total amount deducted by taxpayers on the Schedule A.

Donations to almost all donee types declined between Tax Years 2007 and 2008 (Figures F and G).

³ For further details on Tax Year 2007 noncash charitable contributions, see *SOI Bulletin, Statistics of Income—2010, Individual Noncash Contributions, 2007* (IRS Publication 1136).

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Figure C

Individual Noncash Charitable Contributions: All Returns with Donations, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

[Money amounts are in thousands of dollars—average amounts are in whole dollars]

Size of adjusted gross income	Number of returns	Percentage of returns	Adjusted gross income (AGI)	Amount carried to Schedule A	Percentage of amount carried to Schedule A	Donation as percentage of AGI	Average donation per return
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns	7,017,933	100.0	1,190,695,802	34,597,290	100.0	2.9	4,930
Under \$5,000 (including deficits)	65,357	0.9	-13,509,077	851,617	2.5	-6.3	13,030
\$5,000 under \$10,000	25,160	0.4	195,757	54,818	0.2	28.0	2,179
\$10,000 under \$15,000	46,870	0.7	609,804	95,742	0.3	15.7	2,043
\$15,000 under \$20,000	67,295	1.0	1,190,586	166,324	0.5	14.0	2,472
\$20,000 under \$25,000	91,997	1.3	2,096,162	198,401	0.6	9.5	2,157
\$25,000 under \$30,000	117,482	1.7	3,244,816	249,704	0.7	7.7	2,125
\$30,000 under \$40,000	310,078	4.4	10,911,514	593,080	1.7	5.4	1,913
\$40,000 under \$50,000	397,788	5.7	18,027,697	749,294	2.2	4.2	1,884
\$50,000 under \$75,000	1,176,946	16.8	74,096,451	2,184,527	6.3	2.9	1,856
\$75,000 under \$100,000	1,209,981	17.2	105,983,485	2,511,105	7.3	2.4	2,075
\$100,000 under \$200,000	2,475,689	35.3	341,015,276	5,676,972	16.4	1.7	2,293
\$200,000 under \$500,000	817,491	11.6	235,204,259	3,796,783	11.0	1.6	4,644
\$500,000 under \$1,000,000	136,002	1.9	92,673,193	2,120,916	6.1	2.3	15,595
\$1,000,000 under \$1,500,000	34,514	0.5	41,725,446	1,265,625	3.7	3.0	36,670
\$1,500,000 under \$2,000,000	14,319	0.2	24,680,298	797,369	2.3	3.2	55,687
\$2,000,000 under \$5,000,000	21,100	0.3	63,256,948	2,253,462	6.5	3.6	106,800
\$5,000,000 under \$10,000,000	5,616	0.1	38,552,639	1,802,489	5.2	4.7	320,982
\$10,000,000 or more	4,249	0.1	150,740,548	9,229,061	26.7	6.1	2,172,055

Donations to educational institutions declined by the largest percentage (62.0 percent) from \$8.1 billion in Tax Year 2007 to \$3.1 billion in 2008. These donations represented 15.4 percent of donations claimed in 2007 and just 8.9 percent in Tax Year 2008. The average donation per return to this donee type was about \$18,010 in Tax Year 2007 and \$7,950 in 2008. Another notable decrease was in donations made to foundations, which declined 42.6 percent from \$14.1 billion in Tax Year 2007 to \$8.1 billion in 2008; these donations represented 26.6 percent of all donations claimed in 2007 and 23.3 percent in 2008. In addition, the average donation per return for this donee type declined from more than \$117,300 in Tax Year 2007 to \$76,170 in 2008. The one exception to these declines was contributions to large organizations, which increased slightly, by 0.7 percent between Tax Years 2007 and 2008. These donations, valued at \$8.6 billion, represented 25.0 percent of all donations reported in Tax Year 2008 and 16.2 percent in Tax Year 2007. Despite this increase, the average donation per return made to large organizations in

Tax Year 2008 was about \$1,620, which was slightly lower than \$1,640 in 2007.

In comparing donations by different age groups, taxpayers age 65 and older gave the most in terms of the amount reported on Schedule A. This group gave \$13.8 billion in cash contributions (40.3 percent of the total cash contributions of \$34.3 billion) and \$14.0 billion in noncash contributions on Form 8283 (40.4 percent of the total noncash contributions of \$34.6 billion) in Tax Year 2008. Figure H shows that the average noncash donation amount per return for these taxpayers was nearly \$14,650, which was more than three times the average of any other age group. In addition, taxpayers in this age group donated 7.7 percent of their AGI amount of \$181.9 billion in noncash contributions, also more than three times the percentage of any other group. Details from Table 4 show that, of the \$14.0 billion in donations made by taxpayers 65 or older, \$9.2 billion (65.9 percent) were donations of corporate stock, mutual funds, and other investments. For these taxpayers, real estate and easement donations were the next largest category, at

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Figure D

Individual Noncash Charitable Contributions: All Returns with Donations, by Size of Adjusted Gross Income, Form 8283, Tax Years 2007 and 2008

[Money amounts are in thousands of dollars]

Size of adjusted gross income	2007		2008		Percentage change	
	Number of returns	Amount carried to Schedule A	Number of returns	Amount carried to Schedule A	Number of returns	Amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	6,935,871	52,827,286	7,017,933	34,597,290	1.2	-34.5
Under \$5,000 (including deficits)	53,644	437,990	65,357	851,617	21.8	94.4
\$5,000 under \$10,000	19,876	32,865	25,160	54,818	26.6	66.8
\$10,000 under \$15,000	41,379	63,656	46,870	95,742	13.3	50.4
\$15,000 under \$20,000	72,526	176,973	67,295	166,324	-7.2	-6.0
\$20,000 under \$25,000	79,185	142,373	91,997	198,401	16.2	39.4
\$25,000 under \$30,000	111,204	239,120	117,482	249,704	5.6	4.4
\$30,000 under \$40,000	329,437	607,097	310,078	593,080	-5.9	-2.3
\$40,000 under \$50,000	407,863	730,144	397,788	749,294	-2.5	2.6
\$50,000 under \$75,000	1,199,060	2,314,376	1,176,946	2,184,527	-1.8	-5.6
\$75,000 under \$100,000	1,217,550	2,759,170	1,209,981	2,511,105	-0.6	-9.0
\$100,000 under \$200,000	2,316,810	6,123,973	2,475,689	5,676,972	6.9	-7.3
\$200,000 under \$500,000	812,072	6,612,170	817,491	3,796,783	0.7	-42.6
\$500,000 under \$1,000,000	166,326	3,304,007	136,002	2,120,916	-18.2	-35.8
\$1,000,000 under \$1,500,000	42,804	2,301,768	34,514	1,265,625	-19.4	-45.0
\$1,500,000 under \$2,000,000	18,888	1,016,069	14,319	797,369	-24.2	-21.5
\$2,000,000 under \$5,000,000	30,864	4,683,307	21,100	2,253,462	-31.6	-51.9
\$5,000,000 under \$10,000,000	9,158	3,668,368	5,616	1,802,489	-38.7	-50.9
\$10,000,000 or more	7,224	17,613,858	4,249	9,229,061	-41.2	-47.6

Figure E

Individual Noncash Charitable Contributions: All Returns with Donations, by Donee Type, Form 8283, Tax Year 2008

[Money amounts are in thousands of dollars, except average amounts are in whole dollars]

Type of donee	Number of returns [1]	Number of donations	Amount carried to Schedule A	Average amount per return	Average amount per donation	Percentage of number of donations	Percentage of amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All donees	7,017,933	19,478,520	34,597,290	4,930	1,776	100.0	100.0
Arts, culture, and humanities	258,253	356,523	1,584,915	6,137	4,445	1.8	4.6
Educational institutions	388,563	600,703	3,090,630	7,954	5,145	3.1	8.9
Environment and animal related organizations	130,212	199,901	1,732,439	13,305	8,666	1.0	5.0
Health and medical research	817,481	1,349,903	1,247,090	1,526	924	6.9	3.6
Large organizations	5,335,476	11,768,127	8,637,960	1,619	734	60.4	25.0
Public and societal benefit	1,483,142	2,524,099	2,977,780	2,008	1,180	13.0	8.6
Religious organizations	1,118,419	1,895,631	3,019,787	2,700	1,593	9.7	8.7
Donor-advised funds	22,656	37,644	1,593,053	70,315	42,319	0.2	4.6
Foundations	105,867	177,252	8,063,904	76,170	45,494	0.9	23.3
Other donees	431,706	568,739	2,649,732	6,138	4,659	2.9	7.7

[1] Total number of returns does not equal the sum of returns by donee type because a return could have donations to more than one type of donee.

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Figure F

Individual Noncash Charitable Contributions: All Returns with Donations, by Donee Type, Form 8283, Tax Years 2007 and 2008

[Money amounts are in thousands of dollars]

Type of donee	2007		2008		Percentage change	
	Number of returns [1]	Amount carried to Schedule A	Number of returns [1]	Amount carried to Schedule A	Number of returns [1]	Amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)
All donees	6,935,871	52,827,286	7,017,933	34,597,290	1.2	-34.5
Arts, culture, and humanities	249,800	1,712,097	258,253	1,584,915	3.4	-7.4
Educational institutions	451,651	8,133,919	388,563	3,090,630	-14.0	-62.0
Environment and animal related organizations	116,555	2,951,850	130,212	1,732,439	11.7	-41.3
Health and medical research	756,637	1,634,212	817,481	1,247,090	8.0	-23.7
Large organizations	5,232,603	8,581,386	5,335,476	8,637,960	2.0	0.7
Public and societal benefit	1,416,492	3,723,395	1,483,142	2,977,780	4.7	-20.0
Religious organizations	1,191,634	4,198,783	1,118,419	3,019,787	-6.1	-28.1
Donor-advised funds	24,533	3,473,953	22,656	1,593,053	-7.7	-54.1
Foundations	119,856	14,060,690	105,867	8,063,904	-11.7	-42.6
Other donees	399,927	4,357,002	431,706	2,649,732	7.9	-39.2

[1] Total number of returns does not equal the sum of returns by donee type because a return could have donations to more than one type of donee.

\$1.4 billion. Those taxpayers age 45 under 55 made noncash donations of \$7.5 billion (2.0 percent of their AGI), with an average per return donation of about \$3,710. Those taxpayers age 55 under 65 donated slightly less (\$6.8 billion or 2.5 percent of their AGI), and their average donation per return was somewhat higher, at approximately \$4,425.

Figure I shows that all age groups donated considerably less in Tax Year 2008 compared to 2007. Donations made by taxpayers under 35 declined by the largest percentage (61.3 percent), from \$5.6 billion claimed in Tax Year 2007 to \$2.1 billion in 2008. Those taxpayers over 65 deducted the most in both Tax Years 2007 and 2008, claiming \$21.4 billion and \$14.0 billion, respectively. Although their donations declined by 34.6 percent, these taxpayers deducted about 40.0 percent of the total amount claimed in both tax years. The average donation per return for these taxpayers declined from just over \$23,600 in 2007 to about \$14,650 in Tax Year 2008. Of the 7.0 million returns filed with noncash donation deductions for Tax Year 2008, 13.6 percent (nearly 956,000) were filed by those taxpayers over 65. This is an increase of 5.5 percent from 2007, when, of the 6.9 million returns filed, approximately 906,000 (13.1 percent of all returns) were filed by this age

group. For Tax Year 2008, taxpayers 45 through 55 reported donations of \$7.5 billion (21.7 percent of total donations), second highest among the age groups. These taxpayers had an average donation per return of approximately \$3,710. For Tax Year 2007, this group reported \$9.6 billion in donations (18.1 percent of total donations), third highest among the age groups behind taxpayers 65 and older and those between 55 and 65.

Explanation of Selected Terms:

Amount carried to Schedule A—This is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000). The dollar amounts of donations reported in this article reflect the amounts reported on Form 8283 that are carried to Schedule A for reporting itemized deductions.

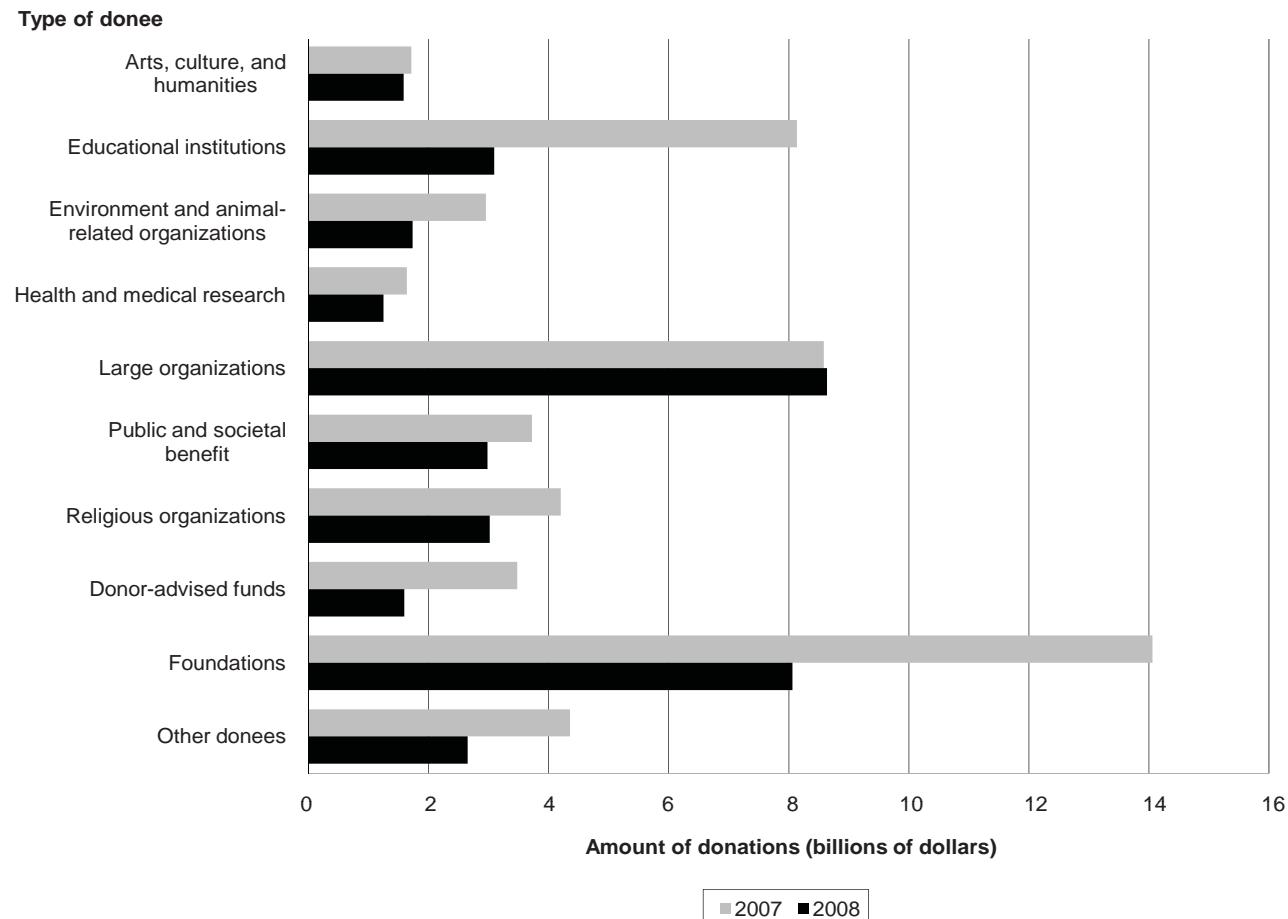
Donor's cost—Also known as the adjusted basis or tax basis, this is generally the amount that the owner paid for the property. If the property were received as a gift, the original cost carries over to the recipient of the gift, increased by any gift tax paid on the appreciated portion of the property. If acquired

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Figure G

Amount of Individual Noncash Charitable Contributions, by Donee Type, Tax Years 2007 and 2008



from a decedent, the basis is the fair market value of the property used for estate tax purposes.

Fair market value—The fair market value is the value a willing and knowledgeable buyer would pay a seller in a voluntary situation.

Number of donations—For this study, data were collected in the manner they were reported by the taxpayer. For example, if clothing were listed twice, even though it was given to the same donee organization, it was counted as two separate donations.

Number of returns—This is the number of returns for which a Form 8283 was attached in the Individual SOI sample. For this study, all returns with Form 8283 were counted, whether or not the taxpayer carried the Form 8283 amounts to the Schedule A.

Please note that the allowable amount of a non-cash deduction depends on whether the property is ordinary income or capital gain property. Ordinary income property is property that if sold, would generate ordinary income or short-term capital gain. Examples are clothing, household items, inventory, and capital assets held less than 1 year. Capital gain property results in a long-term gain, if sold. Examples of this are real property used for a taxpayer's business and corporate stock held more than 1 year. The total charitable deduction is generally limited to no more than 50 percent of AGI. This amount can be reduced to 30 percent or 20 percent, depending on the type of property donated and the type of charitable organization. The statistics for this article include

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Figure H

Individual Noncash Charitable Contributions: All Returns with Donations, by Age of Donor, Form 8283, Tax Year 2008

[Money amounts are in thousands of dollars, except average amounts are in whole dollars]

Donor age	Number of returns	Amount carried to Schedule A	Average amount per return	Adjusted gross Income (AGI)	Donation as percentage of AGI	Number of returns with cash contributions on Schedule A	Amount of cash contributions on Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All ages	7,017,933	34,597,290	4,930	1,190,695,799	2.9	6,989,003	34,326,876
Under 35	755,997	2,146,802	2,840	95,749,356	2.2	752,821	2,139,265
35 under 45	1,744,011	4,138,123	2,373	263,147,563	1.6	1,738,290	4,130,905
45 under 55	2,026,075	7,519,928	3,712	373,239,550	2.0	2,018,726	7,469,908
55 under 65	1,536,299	6,800,937	4,427	276,655,329	2.5	1,530,001	6,765,876
65 and older	955,551	13,991,499	14,642	181,904,002	7.7	949,164	13,820,922

Figure I

Individual Noncash Charitable Contributions: All Returns with Donations, by Age of Donor, Form 8283, Tax Years 2007 and 2008

[Money amounts are in thousands of dollars]

Donor age	2007		2008		Percentage change	
	Number of returns	Amount carried to Schedule A	Number of returns	Amount carried to Schedule A	Number of returns	Amount carried to Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)
All ages	6,935,871	52,827,286	7,017,933	34,597,290	1.2	-34.5
Under 35	779,595	5,553,689	755,997	2,146,802	-3.0	-61.3
35 under 45	1,715,183	5,247,485	1,744,011	4,138,123	1.7	-21.1
45 under 55	2,029,836	9,580,605	2,026,075	7,519,928	-0.2	-21.5
55 under 65	1,505,146	11,053,899	1,536,299	6,800,937	2.1	-38.5
65 and older	906,110	21,391,609	955,551	13,991,499	5.5	-34.6

the entire deduction amount reported by taxpayers and transcribed from Form 8283 to line 17 of Schedule A. The limitations are then applied to the amount reported on line 19 of that schedule.

Donated Property Types:

Accessories—Includes belts, furs, jewelry, purses, scarves, and watches.

Art and collectibles—Includes art works, such as ceramics, drawings, paintings, photographs, and sculptures; and collectibles including coins, books, historical documents, memorabilia, rare or valuable clothing, jewelry, and stamps.

Cars—Includes vehicles designed for road transportation, such as cars, buses, motorcycles, motor homes, SUVs, and trucks.

Clothing—Includes apparel for children, men, and women, such as coats, dresses, hats, shoes, and suits. Also includes sports and school uniforms.

Conservation easements—Includes land and right of way easements. Donations of this type must be a qualified real property interest contributed to a qualified organization for conservation purposes.⁴

Corporate stock—Includes shares of publicly traded and closely held common and preferred stock, as well as stock rights.

⁴ Notice 2007-50, Guidance Regarding Deductions by Individuals for Qualified Conservation Contributions, includes a tax law change for conservation contributions such that the 50-percent-of-AGI limitation is increased to 100 percent (the 100-percent limitation) for eligible farmers and ranchers. This may have been a partial cause for the 31.2-percent increase in the amount of conservation easements for Tax Year 2007.

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Electronics—Includes cameras, computer systems, copiers, DVD players, fax machines, stereo systems, televisions, telephones, and video games.

Facade easements—Includes real estate easements and historical preservation or architectural easements.

Food—Includes beverages, individual food items or meals, snacks, restaurant coupons, vitamins, and wine.

Household items—Includes appliances, books, exercise equipment, furniture, luggage, tools, and toys.

Intellectual property—Includes copyrights, patents, trademarks, trade names, trade secrets, and certain types of software.

Land—Includes farms, orchards, and open lots.

Mutual funds—Includes shares of taxable and nontaxable mutual funds, exchange-traded funds, and unit investment trusts.

Other investments—Includes annuities, bonds, CDs, life insurance policies, notes, options, partnership interests, and real estate investment trusts.

Other vehicles—Includes all-terrain vehicles, airplanes, and watercraft vehicles such as boats, canoes, ships, and water-skis.

Real estate—Includes apartments, cabins, houses, and other residential and commercial property.

Services—Includes audio presentations, catering, healthcare services, transport and travel expenses, tutoring and other professional services.

Other—Includes animals, building materials, cemetery plots, medical equipment, tickets to events, and donated vacations or use of vacation property.

Donee Organizations:

Arts, culture, and humanities—Includes organizations involved with the arts, music, history, and cultural activities, such as museums, libraries, science centers, and theaters.

Donor-advised funds—A segregated fund within a public charity that permits the donor to have advisory privileges on distributions or investments. Donations to donor-advised funds may be understated because of the difficulty of identifying all such donations.

Educational institutions—Includes organizations whose primary function is educational, such as fraternities, schools (including those with religious affiliation), scholarship funds, and universities.

Environmental and animal organizations—Includes organizations that protect, promote, or seek to improve the environment or welfare of animals, such as local animal shelters, botanical gardens, and garden clubs.

Foundations—A foundation is a type of philanthropic organization set up by individuals or institutions as a legal entity (usually either a corporation or trust) with the purpose of distributing grants to support causes in line with the goal of the foundation. For the purpose of this study, this includes private foundations, which are often specific to a person or family, and community foundations.

Health and medical research—Includes hospitals, medical associations, nursing homes, and hospices.

Large organizations—Includes large national and international organizations that have local chapters, such as Goodwill Industries International, The Salvation Army, United Way International, Habitat for Humanity International, and Boy Scouts of America.

Other—Includes all other organizations that are not included in any other category.

Public or societal benefit—These are organizations that benefit individuals or communities and do not meet the conditions of other categories, such as education, health, and religion. These include homeless shelters, food banks, and political think tanks.

Religious organizations—Includes churches, synagogues, and book stores and thrift stores run by religious organizations.

Data Source and Limitations

These statistics are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ, including electronically filed returns) filed during Calendar Year 2009. Returns in the sample were stratified based on: (1) the larger of positive income or negative income (absolute value); (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the

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Figure J

Individual Noncash Charitable Contributions: Coefficients of Variation for Selected Items, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

[Coefficients of variation are in percentages]

Size of adjusted gross income	Number of returns (1)	Donor's cost (2)	Amount carried to Schedule A (3)	Fair market value (4)
				2.04
All returns	0.97	1.76	2.04	2.57
Under \$25,000 (including deficits)	4.93	7.59	7.87	7.72
\$25,000 under \$50,000	3.20	5.36	4.57	4.55
\$50,000 under \$75,000	2.69	5.28	5.29	17.40
\$75,000 under \$100,000	2.68	4.85	8.25	8.25
\$100,000 under \$200,000	1.70	3.39	5.58	5.59
\$200,000 under \$500,000	1.73	5.39	8.03	9.46
\$500,000 under \$1,000,000	2.37	7.49	14.88	18.71
\$1,000,000 under \$1,500,000	2.76	12.00	25.35	20.36
\$1,500,000 under \$2,000,000	2.11	10.68	17.63	16.28
\$2,000,000 under \$5,000,000	1.29	6.97	4.34	8.99
\$5,000,000 under \$10,000,000	1.24	4.68	3.39	5.78
\$10,000,000 or more	0.00	0.00	0.00	0.00

usefulness of returns for tax policy modeling purposes. Returns were then selected at rates ranging from 0.10 percent to 100 percent.

Tax Year 2008 data are based on a sample of 328,630 returns and an estimated final population of 142,580,866 returns.⁵ The number of returns in the sample with Form 8283 was 42,127.

Since the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To use the statistical data provided

properly, the magnitude of the potential sampling error must be known; coefficients of variation (CVs) are used to measure that magnitude. Figure J shows estimated CVs for the numbers of returns and money amounts for selected income items. The reliability of estimates based on samples and the use of CVs for evaluating the precision of estimates based on samples are discussed in SOI Sampling Methodology and Data Limitations later in this issue of the *Bulletin*.

⁵ For further details on the description of the sample, see *Statistics of Income—2008, Individual Income Tax Returns* (IRS Publication 1304).

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Table 1a. Individual Noncash Charitable Contributions: All Returns with Donations, All Donation Types, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	All returns with donations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(5)
All returns	7,017,933	19,478,520	36,117,384	39,358,995	34,597,290
Under \$25,000 (including deficits)	296,679	679,561	1,732,432	1,465,577	1,366,902
\$25,000 under \$50,000	825,349	1,855,511	3,303,562	1,599,967	1,592,078
\$50,000 under \$75,000	1,176,946	2,895,006	4,304,475	2,616,828	2,184,527
\$75,000 under \$100,000	1,209,981	3,229,250	4,715,340	2,513,935	2,511,105
\$100,000 under \$200,000	2,475,689	7,577,436	10,743,702	5,720,390	5,676,972
\$200,000 under \$500,000	817,491	2,594,774	5,781,697	4,381,317	3,796,783
\$500,000 under \$1,000,000	136,002	403,077	1,572,677	2,528,269	2,120,916
\$1,000,000 under \$1,500,000	34,514	104,017	669,675	1,713,039	1,265,625
\$1,500,000 under \$2,000,000	14,319	41,200	304,117	902,651	797,369
\$2,000,000 under \$5,000,000	21,100	64,798	839,489	3,413,937	2,253,462
\$5,000,000 under \$10,000,000	5,616	18,307	540,970	2,519,799	1,802,489
\$10,000,000 or more	4,249	15,583	1,609,247	9,983,286	9,229,061

Footnotes at end of table 1j.

Table 1b. Individual Noncash Charitable Contributions: Returns with Donations of Corporate Stock, Mutual Funds, and Other Investments, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Returns with donations of corporate stock, mutual funds, and other investments				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(5)
All returns	131,646	282,340	2,868,742	15,696,625	14,865,203
Under \$25,000 (including deficits)	3,092	5,300	74,506	279,513	272,817
\$25,000 under \$50,000	5,777	9,258	15,013	62,806	62,124
\$50,000 under \$75,000	9,243	10,977	7,401	131,972	131,972
\$75,000 under \$100,000	8,782	17,958	27,893	97,564	97,564
\$100,000 under \$200,000	38,133	70,014	140,321	533,760	533,425
\$200,000 under \$500,000	35,536	82,773	491,718	1,349,439	1,078,696
\$500,000 under \$1,000,000	13,607	35,526	173,730	903,836	826,420
\$1,000,000 under \$1,500,000	5,223	14,218	144,721	807,685	761,067
\$1,500,000 under \$2,000,000	2,999	7,706	79,979	585,031	577,055
\$2,000,000 under \$5,000,000	5,293	15,168	270,715	1,391,498	1,351,545
\$5,000,000 under \$10,000,000	1,964	6,350	267,081	1,328,525	1,262,092
\$10,000,000 or more	1,997	7,092	1,175,663	8,224,996	7,910,426

Footnotes at end of table 1j.

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Table 1c. Individual Noncash Charitable Contributions: Returns with Donations of Real Estate and Easements, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Returns with donations of real estate and easements				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(1)
All returns	22,720	24,009	1,666,445	7,218,445	3,561,485
Under \$25,000 (including deficits)	1,550	1,566	136,548	193,040	112,074
\$25,000 under \$50,000	* 2,080	* 2,080	* 8,099	* 14,948	* 10,273
\$50,000 under \$75,000	4,946	4,946	28,996	458,994	26,862
\$75,000 under \$100,000	* 2,489	* 2,489	* 553	* 276,968	* 276,968
\$100,000 under \$200,000	3,118	3,277	77,037	208,580	187,124
\$200,000 under \$500,000	3,828	3,981	233,923	873,992	587,596
\$500,000 under \$1,000,000	2,061	2,680	274,353	1,048,101	738,578
\$1,000,000 under \$1,500,000	869	954	176,417	647,098	262,138
\$1,500,000 under \$2,000,000	398	417	60,434	173,180	91,761
\$2,000,000 under \$5,000,000	806	938	281,602	1,600,619	516,200
\$5,000,000 under \$10,000,000	304	346	151,150	872,943	292,403
\$10,000,000 or more	271	335	237,333	849,981	459,509

Footnotes at end of table 1j.

Table 1d. Individual Noncash Charitable Contributions: Returns with Donations of Art and Collectibles, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Returns with donations of art and collectibles				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(1)
All returns	92,518	129,532	672,344	1,510,754	1,351,382
Under \$25,000 (including deficits)	4,419	6,637	70,756	92,369	90,383
\$25,000 under \$50,000	5,824	6,721	10,092	15,755	15,529
\$50,000 under \$75,000	13,541	15,534	39,509	22,597	22,597
\$75,000 under \$100,000	13,272	22,131	44,622	51,904	49,080
\$100,000 under \$200,000	32,555	42,575	155,895	366,576	366,147
\$200,000 under \$500,000	16,747	26,172	107,109	200,317	176,054
\$500,000 under \$1,000,000	3,420	4,072	50,232	115,797	113,969
\$1,000,000 under \$1,500,000	794	1,474	44,137	63,752	62,505
\$1,500,000 under \$2,000,000	597	1,061	18,488	46,472	32,861
\$2,000,000 under \$5,000,000	793	1,958	27,711	122,509	99,426
\$5,000,000 under \$10,000,000	303	657	23,687	135,456	81,459
\$10,000,000 or more	254	540	80,106	277,252	241,371

Footnotes at end of table 1j.

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Table 1e. Individual Noncash Charitable Contributions: Returns with Donations of Food, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Returns with donations of food				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(5)
All returns	233,128	377,958	106,492	120,845	116,550
Under \$25,000 (including deficits)	7,030	15,767	13,390	14,600	14,600
\$25,000 under \$50,000	27,625	50,505	15,290	9,794	9,794
\$50,000 under \$75,000	34,164	55,751	11,304	12,151	12,151
\$75,000 under \$100,000	36,923	54,508	4,079	6,619	6,619
\$100,000 under \$200,000	85,674	139,723	30,806	38,880	38,879
\$200,000 under \$500,000	32,542	46,788	11,959	16,333	15,447
\$500,000 under \$1,000,000	5,955	9,993	2,650	2,738	2,736
\$1,000,000 under \$1,500,000	1,278	1,827	1,125	1,301	1,301
\$1,500,000 under \$2,000,000	640	994	447	948	948
\$2,000,000 under \$5,000,000	905	1,483	6,815	5,037	4,930
\$5,000,000 under \$10,000,000	231	362	3,448	5,859	3,696
\$10,000,000 or more	161	256	5,179	6,584	5,449

Footnotes at end of table 1j.

Table 1f. Individual Noncash Charitable Contributions: Returns with Donations of Clothing and Accessories, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Returns with donations of clothing and accessories				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(5)
All returns	5,475,014	12,016,810	16,756,965	7,940,324	7,939,810
Under \$25,000 (including deficits)	202,960	363,762	671,422	328,711	328,711
\$25,000 under \$50,000	608,415	1,101,032	1,778,942	885,064	885,064
\$50,000 under \$75,000	913,255	1,789,107	2,369,442	1,215,150	1,214,987
\$75,000 under \$100,000	972,519	2,062,924	2,634,507	1,322,101	1,322,095
\$100,000 under \$200,000	1,997,364	4,859,007	5,735,939	2,841,875	2,841,875
\$200,000 under \$500,000	640,893	1,551,019	2,756,338	1,077,895	1,077,893
\$500,000 under \$1,000,000	94,423	198,894	516,159	164,363	164,336
\$1,000,000 under \$1,500,000	21,716	45,307	132,365	45,557	45,557
\$1,500,000 under \$2,000,000	8,210	16,131	52,079	21,672	21,672
\$2,000,000 under \$5,000,000	11,473	22,734	81,741	25,372	25,371
\$5,000,000 under \$10,000,000	2,416	4,446	16,773	6,213	6,213
\$10,000,000 or more	1,370	2,448	11,258	6,352	6,036

Footnotes at end of table 1j.

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Table 1g. Individual Noncash Charitable Contributions: Returns with Donations of Electronics, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Returns with donations of electronics				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(5)
All returns	467,925	589,041	990,464	432,220	432,403
Under \$25,000 (including deficits)	14,399	15,376	29,062	9,318	9,318
\$25,000 under \$50,000	49,577	60,797	130,124	66,860	66,860
\$50,000 under \$75,000	75,716	84,956	115,410	70,332	70,332
\$75,000 under \$100,000	73,933	98,911	150,777	62,926	62,926
\$100,000 under \$200,000	177,296	227,624	351,799	148,790	148,790
\$200,000 under \$500,000	63,062	84,584	160,387	56,006	56,006
\$500,000 under \$1,000,000	9,085	10,813	32,925	9,461	9,461
\$1,000,000 under \$1,500,000	2,170	2,674	7,701	2,757	2,757
\$1,500,000 under \$2,000,000	899	1,160	4,603	1,612	1,612
\$2,000,000 under \$5,000,000	1,281	1,546	4,922	2,471	3,102
\$5,000,000 under \$10,000,000	307	357	1,072	444	444
\$10,000,000 or more	198	244	1,680	1,242	795

Footnotes at end of table 1j.

Table 1h. Individual Noncash Charitable Contributions: Returns with Donations of Household Items, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Returns with donations of household items				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(5)
All returns	2,435,153	4,441,990	8,445,621	3,140,717	3,131,977
Under \$25,000 (including deficits)	114,168	196,617	513,940	180,301	180,255
\$25,000 under \$50,000	276,575	464,138	936,573	377,694	376,564
\$50,000 under \$75,000	388,677	682,152	1,192,826	484,643	484,643
\$75,000 under \$100,000	407,737	705,928	1,309,519	486,987	486,987
\$100,000 under \$200,000	861,205	1,645,590	2,654,770	999,389	994,143
\$200,000 under \$500,000	306,173	600,263	1,357,274	451,886	451,873
\$500,000 under \$1,000,000	54,076	99,205	301,640	91,855	91,855
\$1,000,000 under \$1,500,000	12,480	23,080	83,240	27,612	27,612
\$1,500,000 under \$2,000,000	4,812	8,546	27,801	11,206	9,727
\$2,000,000 under \$5,000,000	6,821	11,920	48,219	19,231	18,439
\$5,000,000 under \$10,000,000	1,550	2,892	11,592	4,792	4,791
\$10,000,000 or more	880	1,659	8,227	5,122	5,088

Footnotes at end of table 1j.

Individual Noncash Contributions, 2008

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Table 1i. Individual Noncash Charitable Contributions: Returns with Donations of Cars and Other Vehicles, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Returns with donations of cars and other vehicles				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(5)
All returns	255,229	271,136	2,524,076	613,276	573,197
Under \$25,000 (including deficits)	14,064	14,686	102,041	45,004	38,157
\$25,000 under \$50,000	26,526	28,285	200,716	40,577	39,400
\$50,000 under \$75,000	33,171	35,892	247,014	45,350	45,350
\$75,000 under \$100,000	39,914	43,238	330,974	55,876	55,875
\$100,000 under \$200,000	106,062	112,502	1,047,932	220,085	205,557
\$200,000 under \$500,000	28,720	29,184	393,287	91,771	89,886
\$500,000 under \$1,000,000	4,298	4,708	85,706	27,025	27,025
\$1,000,000 under \$1,500,000	1,130	1,213	39,382	23,096	14,047
\$1,500,000 under \$2,000,000	430	468	8,814	3,598	3,539
\$2,000,000 under \$5,000,000	596	622	40,984	28,429	26,694
\$5,000,000 under \$10,000,000	189	204	14,623	20,899	20,925
\$10,000,000 or more	127	134	12,601	11,568	6,741

Footnotes at end of table 1j.

Table 1j. Individual Noncash Charitable Contributions: Returns with Other Donations [3], by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Returns with other donations [3]				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(5)
All returns	863,999	1,345,703	2,086,235	2,685,789	2,625,284
Under \$25,000 (including deficits)	42,148	59,848	120,767	322,722	320,587
\$25,000 under \$50,000	89,730	132,696	208,711	126,471	126,471
\$50,000 under \$75,000	136,248	215,691	292,572	175,638	175,633
\$75,000 under \$100,000	144,687	221,163	212,416	152,992	152,992
\$100,000 under \$200,000	294,612	477,125	549,202	362,455	361,032
\$200,000 under \$500,000	113,284	170,010	269,701	263,677	263,332
\$500,000 under \$1,000,000	24,926	37,185	135,282	165,094	146,536
\$1,000,000 under \$1,500,000	6,911	13,270	40,586	94,180	88,640
\$1,500,000 under \$2,000,000	3,276	4,718	51,472	58,931	58,194
\$2,000,000 under \$5,000,000	5,188	8,429	76,781	218,770	207,756
\$5,000,000 under \$10,000,000	1,551	2,694	51,544	144,669	130,466
\$10,000,000 or more	1,437	2,875	77,200	600,190	593,647

* Estimates should be used with caution because of the small number of sample returns on which they are based.

[1] Not every donation has a donor cost reported.

[2] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly traded securities) plus the lesser of the fair market value or the amount claimed on Section B (items with a deduction of more than \$5,000).

[3] Other donations includes intellectual property, services, airline tickets and miles, and other donations.

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Table 2a. Individual Noncash Charitable Contributions: All Donee Organizations, by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	All donee organizations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(5)
All returns	7,017,933	19,478,520	36,117,384	39,358,995	34,597,290
Under \$25,000 (including deficits)	296,679	679,561	1,732,432	1,465,577	1,366,902
\$25,000 under \$50,000	825,349	1,855,511	3,303,562	1,599,967	1,592,078
\$50,000 under \$75,000	1,176,946	2,895,006	4,304,475	2,616,828	2,184,527
\$75,000 under \$100,000	1,209,981	3,229,250	4,715,340	2,513,935	2,511,105
\$100,000 under \$200,000	2,475,689	7,577,436	10,743,702	5,720,390	5,676,972
\$200,000 under \$500,000	817,491	2,594,774	5,781,697	4,381,317	3,796,783
\$500,000 under \$1,000,000	136,002	403,077	1,572,677	2,528,269	2,120,916
\$1,000,000 under \$1,500,000	34,514	104,017	669,675	1,713,039	1,265,625
\$1,500,000 under \$2,000,000	14,319	41,200	304,117	902,651	797,369
\$2,000,000 under \$5,000,000	21,100	64,798	839,489	3,413,937	2,253,462
\$5,000,000 under \$10,000,000	5,616	18,307	540,970	2,519,799	1,802,489
\$10,000,000 or more	4,249	15,583	1,609,247	9,983,286	9,229,061

Footnotes at end of table 2k.

Table 2b. Individual Noncash Charitable Contributions: Donee Organizations (Arts, Culture, and Humanities), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Arts, culture, and humanities				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(5)
All returns	258,253	356,523	638,634	1,714,305	1,584,915
Under \$25,000 (including deficits)	11,380	12,967	46,711	90,753	79,901
\$25,000 under \$50,000	17,888	24,176	13,075	11,969	11,969
\$50,000 under \$75,000	35,525	49,076	46,684	32,272	32,272
\$75,000 under \$100,000	41,526	52,163	21,086	14,641	14,641
\$100,000 under \$200,000	96,879	140,043	200,987	409,850	409,420
\$200,000 under \$500,000	39,682	54,047	73,476	108,441	105,715
\$500,000 under \$1,000,000	8,512	11,931	27,467	54,374	53,763
\$1,000,000 under \$1,500,000	2,643	4,073	58,612	80,781	79,535
\$1,500,000 under \$2,000,000	1,234	2,254	46,797	55,616	42,320
\$2,000,000 under \$5,000,000	1,896	3,624	33,933	184,556	159,918
\$5,000,000 under \$10,000,000	561	1,084	21,090	165,812	111,980
\$10,000,000 or more	527	1,086	48,716	505,240	483,480

Footnotes at end of table 2k.

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Table 2c. Individual Noncash Charitable Contributions: Donee Organizations (Educational Institutions), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Educational institutions				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(5)
All returns	388,563	600,703	1,361,944	3,555,515	3,090,630
Under \$25,000 (including deficits)	14,281	20,208	57,795	81,637	80,818
\$25,000 under \$50,000	35,667	56,554	78,202	36,731	36,731
\$50,000 under \$75,000	56,448	79,869	53,579	47,126	47,126
\$75,000 under \$100,000	43,942	59,563	65,977	61,025	61,024
\$100,000 under \$200,000	146,379	237,547	329,040	272,808	258,124
\$200,000 under \$500,000	65,543	99,651	214,494	393,544	308,241
\$500,000 under \$1,000,000	13,367	23,002	120,729	367,031	365,451
\$1,000,000 under \$1,500,000	4,577	8,135	32,238	512,858	442,183
\$1,500,000 under \$2,000,000	2,184	3,825	27,655	143,150	121,451
\$2,000,000 under \$5,000,000	3,739	7,165	117,112	499,215	300,558
\$5,000,000 under \$10,000,000	1,299	2,611	63,603	309,999	267,068
\$10,000,000 or more	1,137	2,573	201,521	830,392	801,855

Footnotes at end of table 2k.

Table 2d. Individual Noncash Charitable Contributions: Donee Organizations (Environmental and Animal-Related Organizations), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Environment and animal-related organizations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(5)
All returns	130,212	199,901	737,839	3,046,110	1,732,439
Under \$25,000 (including deficits)	8,534	9,852	54,665	38,153	21,898
\$25,000 under \$50,000	10,341	15,714	8,683	8,122	7,896
\$50,000 under \$75,000	15,969	20,175	18,459	9,722	9,722
\$75,000 under \$100,000	16,420	18,178	7,272	173,763	173,763
\$100,000 under \$200,000	52,814	104,946	97,027	174,900	170,500
\$200,000 under \$500,000	18,845	21,011	80,224	354,234	329,513
\$500,000 under \$1,000,000	3,802	5,038	105,621	224,808	199,588
\$1,000,000 under \$1,500,000	1,236	1,852	31,905	197,044	101,679
\$1,500,000 under \$2,000,000	624	833	37,120	58,587	46,649
\$2,000,000 under \$5,000,000	1,008	1,379	96,439	924,775	229,169
\$5,000,000 under \$10,000,000	323	453	85,784	388,176	156,033
\$10,000,000 or more	297	470	114,640	493,828	286,028

Footnotes at end of table 2k.

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Table 2e. Individual Noncash Charitable Contributions: Donee Organizations (Health and Medical Research), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Health and medical research				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
All returns	817,481	1,349,903	2,269,528	1,366,384	1,247,090
Under \$25,000 (including deficits)	29,168	44,188	96,761	41,681	40,854
\$25,000 under \$50,000	79,248	126,237	196,411	81,093	81,093
\$50,000 under \$75,000	129,668	201,658	301,604	118,952	118,952
\$75,000 under \$100,000	136,815	236,901	350,952	142,275	142,275
\$100,000 under \$200,000	306,353	513,963	792,891	317,552	316,150
\$200,000 under \$500,000	108,578	184,003	310,409	149,877	146,534
\$500,000 under \$1,000,000	18,000	27,747	86,314	59,489	59,460
\$1,000,000 under \$1,500,000	3,857	6,087	39,092	47,818	44,680
\$1,500,000 under \$2,000,000	1,804	2,748	9,067	12,396	12,082
\$2,000,000 under \$5,000,000	2,755	4,247	31,083	86,517	66,926
\$5,000,000 under \$10,000,000	678	1,118	18,667	82,271	46,292
\$10,000,000 or more	557	1,006	36,277	226,462	171,792

Footnotes at end of table 2k.

Table 2f. Individual Noncash Charitable Contributions: Donee Organizations (Large Organizations), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Large organizations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
All returns	5,335,476	11,768,127	19,282,825	9,080,038	8,637,960
Under \$25,000 (including deficits)	205,000	386,186	782,134	364,038	363,467
\$25,000 under \$50,000	622,461	1,139,574	2,175,154	1,021,064	1,019,935
\$50,000 under \$75,000	893,276	1,779,543	2,677,940	1,318,396	1,318,233
\$75,000 under \$100,000	920,641	1,971,586	3,026,823	1,351,391	1,351,388
\$100,000 under \$200,000	1,931,418	4,659,500	6,596,823	2,966,715	2,966,675
\$200,000 under \$500,000	623,715	1,537,795	3,104,200	1,499,332	1,153,917
\$500,000 under \$1,000,000	94,010	202,649	582,038	307,431	232,775
\$1,000,000 under \$1,500,000	21,786	45,913	150,797	70,939	70,939
\$1,500,000 under \$2,000,000	8,311	16,250	55,681	26,488	24,197
\$2,000,000 under \$5,000,000	11,144	22,208	91,209	50,774	46,648
\$5,000,000 under \$10,000,000	2,386	4,554	20,642	19,121	18,962
\$10,000,000 or more	1,328	2,368	19,385	84,350	70,824

Footnotes at end of table 2k.

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Table 2g. Individual Noncash Charitable Contributions: Donee Organizations (Public and Societal Benefit), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Public and societal benefit				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(5)
All returns	1,483,142	2,524,099	4,779,314	3,583,040	2,977,780
Under \$25,000 (including deficits)	63,344	101,841	270,457	285,266	237,833
\$25,000 under \$50,000	138,344	212,679	342,327	166,768	166,768
\$50,000 under \$75,000	238,061	396,440	629,954	260,970	260,970
\$75,000 under \$100,000	256,843	434,521	608,984	343,962	343,960
\$100,000 under \$200,000	535,802	941,683	1,446,938	642,070	636,322
\$200,000 under \$500,000	196,865	344,154	837,041	558,481	457,040
\$500,000 under \$1,000,000	33,562	59,500	247,045	216,676	192,468
\$1,000,000 under \$1,500,000	8,920	13,634	156,517	308,586	117,266
\$1,500,000 under \$2,000,000	3,675	5,927	33,358	99,473	55,706
\$2,000,000 under \$5,000,000	5,388	9,582	94,780	271,956	206,141
\$5,000,000 under \$10,000,000	1,369	2,349	46,065	160,261	99,947
\$10,000,000 or more	969	1,788	65,848	268,572	203,360

Footnotes at end of table 2k.

Table 2h. Individual Noncash Charitable Contributions: Donee Organizations (Religious Organizations), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Religious organizations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(5)
All returns	1,118,419	1,895,631	3,192,615	3,586,873	3,019,787
Under \$25,000 (including deficits)	46,579	78,424	262,258	182,052	171,946
\$25,000 under \$50,000	118,050	179,714	287,617	124,278	118,930
\$50,000 under \$75,000	172,583	253,146	402,796	735,612	303,669
\$75,000 under \$100,000	201,214	351,799	449,933	286,932	286,932
\$100,000 under \$200,000	395,437	717,059	890,370	595,768	586,380
\$200,000 under \$500,000	144,177	244,602	498,857	429,598	422,497
\$500,000 under \$1,000,000	24,987	42,182	206,574	438,576	416,725
\$1,000,000 under \$1,500,000	6,928	14,342	49,157	110,268	84,734
\$1,500,000 under \$2,000,000	2,797	4,620	26,773	113,863	106,643
\$2,000,000 under \$5,000,000	3,962	6,645	63,796	221,511	191,565
\$5,000,000 under \$10,000,000	1,026	1,834	26,769	109,416	96,466
\$10,000,000 or more	680	1,264	27,717	238,997	233,299

Footnotes at end of table 2k.

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Table 2i. Individual Noncash Charitable Contributions: Donee Organizations (Donor-Advised Funds), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Donor-advised funds				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(5)
All returns	22,656	37,644	545,177	1,800,987	1,593,053
Under \$25,000 (including deficits)	222	325	14,632	29,007	26,728
\$25,000 under \$50,000	* 2,851	* 3,827	* 5,479	* 30,038	* 30,038
\$50,000 under \$75,000	* 2,045	* 2,054	* 1,174	* 904	* 904
\$75,000 under \$100,000	1,152	2,164	1,149	1,738	1,738
\$100,000 under \$200,000	7,545	14,808	16,775	89,908	89,892
\$200,000 under \$500,000	4,537	6,372	25,624	98,374	98,374
\$500,000 under \$1,000,000	1,484	2,906	8,262	82,119	82,119
\$1,000,000 under \$1,500,000	741	1,345	20,219	85,312	67,284
\$1,500,000 under \$2,000,000	577	965	11,251	40,298	40,298
\$2,000,000 under \$5,000,000	879	1,606	58,451	193,458	185,177
\$5,000,000 under \$10,000,000	326	569	57,137	309,068	151,835
\$10,000,000 or more	299	706	325,024	840,762	818,666

Footnotes at end of table 2k.

Table 2j. Individual Noncash Charitable Contributions: Donee Organizations (Foundations), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Foundations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
					(5)
All returns	105,867	177,252	1,672,525	8,589,046	8,063,904
Under \$25,000 (including deficits)	2,856	5,336	57,584	209,677	209,535
\$25,000 under \$50,000	10,571	27,224	47,788	18,601	18,601
\$50,000 under \$75,000	11,095	13,428	13,895	12,197	12,008
\$75,000 under \$100,000	14,951	17,990	29,304	27,540	27,540
\$100,000 under \$200,000	37,041	64,853	102,242	94,692	93,194
\$200,000 under \$500,000	17,660	25,801	234,526	367,510	361,320
\$500,000 under \$1,000,000	5,347	9,980	91,862	256,321	205,552
\$1,000,000 under \$1,500,000	1,743	3,489	79,881	198,204	164,407
\$1,500,000 under \$2,000,000	912	1,345	28,022	266,385	264,846
\$2,000,000 under \$5,000,000	1,890	3,487	128,351	597,129	520,935
\$5,000,000 under \$10,000,000	824	1,959	149,105	763,953	687,079
\$10,000,000 or more	978	2,359	709,968	5,776,836	5,498,887

Footnotes at end of table 2k.

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Table 2k. Individual Noncash Charitable Contributions: Donee Organizations (Other), by Size of Adjusted Gross Income, Form 8283, Tax Year 2008

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

Size of adjusted gross income	Other donee organizations				
	Number of returns	Number of donations	Donor's cost [1]	Fair market value	Amount carried to Schedule A [2]
	(1)	(2)	(3)	(4)	(5)
All returns	431,706	568,739	1,636,983	3,036,697	2,649,732
Under \$25,000 (including deficits)	17,571	20,233	89,435	143,313	133,921
\$25,000 under \$50,000	54,350	69,813	148,826	101,303	100,118
\$50,000 under \$75,000	75,234	99,617	158,390	80,676	80,670
\$75,000 under \$100,000	66,858	84,386	153,861	110,669	107,846
\$100,000 under \$200,000	134,725	183,034	270,609	156,127	150,315
\$200,000 under \$500,000	58,030	77,338	402,848	421,926	413,632
\$500,000 under \$1,000,000	13,541	18,141	96,765	521,444	313,014
\$1,000,000 under \$1,500,000	4,027	5,147	51,257	101,227	92,918
\$1,500,000 under \$2,000,000	1,784	2,434	28,393	86,394	83,177
\$2,000,000 under \$5,000,000	3,353	4,856	124,337	384,048	346,424
\$5,000,000 under \$10,000,000	1,139	1,777	52,108	211,721	166,828
\$10,000,000 or more	1,094	1,963	60,153	717,848	660,870

* Estimates should be used with caution because of the small number of sample returns on which they are based.

[1] Not every donation has a donor cost reported.

[2] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000).

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Table 3. Individual Noncash Charitable Contributions: All Returns with Donations, by Donation Types and Donee Types, Form 8283, Tax Year 2008

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

Type of donation	All donees		Arts, culture, and humanities		Educational institutions
	Number of donations	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]	Number of donations
	(1)	(2)	(3)	(4)	(5)
All donations	19,478,520	34,597,290	356,523	1,584,915	600,703
Corporate stock, mutual funds, and other investments	282,340	14,865,203	16,456	667,170	60,899
Real estate and easements	24,009	3,561,485	60	41,841	826
Art and collectibles	129,532	1,351,382	21,699	728,406	14,229
Food	377,958	116,550	4,113	1,118	31,263
Clothing and accessories	12,016,810	7,939,810	75,989	26,230	198,034
Electronics	589,041	432,403	8,843	3,273	21,052
Household items	4,441,990	3,131,977	184,614	71,152	140,588
Cars and other vehicles	271,136	573,197	5,198	16,540	9,981
Other [2]	1,345,703	2,625,284	39,552	29,185	123,831
Type of donation	Educational institutions—continued	Environmental and animal-related organizations		Health and medical research	
	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]
	(6)	(7)	(8)	(9)	(10)
All donations	3,090,630	199,901	1,732,439	1,349,903	1,247,090
Corporate stock, mutual funds, and other investments	2,239,226	14,033	179,742	14,183	342,952
Real estate and easements	145,609	5,047	1,440,651	1,105	77,603
Art and collectibles	202,790	6,088	12,671	14,332	32,979
Food	7,296	2,893	506	12,290	8,083
Clothing and accessories	114,206	68,579	22,672	863,604	474,117
Electronics	20,671	6,167	6,420	34,435	23,982
Household items	72,668	59,264	22,597	270,027	168,637
Cars and other vehicles	95,520	5,760	19,100	41,950	42,278
Other [2]	192,644	32,069	28,081	97,976	76,461
Type of donation	Large organizations		Public and societal benefit		Religious organizations
	Number of donations	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]	Number of donations
	(11)	(12)	(13)	(14)	(15)
All donations	11,768,127	8,637,960	2,524,099	2,977,780	1,895,631
Corporate stock, mutual funds, and other investments	14,571	180,653	16,928	488,591	76,145
Real estate and easements	3,535	96,195	5,309	561,499	4,793
Art and collectibles	21,161	70,391	23,549	41,866	16,307
Food	48,868	9,462	127,611	44,728	114,979
Clothing and accessories	8,180,651	5,569,224	1,413,586	875,887	941,037
Electronics	342,307	245,887	94,925	63,563	66,145
Household items	2,632,365	1,990,545	585,492	403,404	441,695
Cars and other vehicles	60,423	83,032	81,043	149,071	38,218
Other [2]	464,247	392,570	175,656	349,171	196,310

Footnotes at end of table.

Individual Noncash Contributions, 2008

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Table 3. Individual Noncash Charitable Contributions: All Returns with Donations, by Donation Types and Donee Types, Form 8283, Tax Year 2008—Continued

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

Type of donation	Religious organizations— continued	Foundations		Other donees [3]	
	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]	Number of donations	Amount carried to Schedule A [1]
	(16)	(17)	(18)	(19)	(20)
All donations	3,019,787	177,252	8,063,904	606,383	4,242,786
Corporate stock, mutual funds, and other investments	1,218,127	33,593	7,386,647	35,533	2,162,097
Real estate and easements	424,645	434	200,490	2,900	572,951
Art and collectibles	65,516	3,696	137,130	8,470	59,633
Food	30,877	4,585	2,506	31,357	11,974
Clothing and accessories	646,455	70,916	36,374	204,413	174,644
Electronics	52,137	4,884	2,108	10,283	14,363
Household items	285,540	30,035	16,332	97,910	101,102
Cars and other vehicles	63,306	9,751	34,077	18,812	70,274
Other [2]	233,185	19,357	248,241	196,704	1,075,748

[1] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000).

[2] Other donations includes intellectual property, services, airline tickets and miles, and other donations.

[3] Other donees includes donor-advised funds.

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Table 4. Individual Noncash Charitable Contributions: All Returns with Donations, by Donation Types and Donor Age, Form 8283, Tax Year 2008

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

Donor age	Total							
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns with contributions on Schedule A	Amount of contributions on Schedule A	Number of returns with cash contributions on Schedule A	Amount of cash contributions on Schedule A
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All ages	7,017,933	19,478,520	39,358,995	34,597,290	6,989,003	34,326,876	6,079,976	32,086,451
Under 35	755,997	1,585,829	2,196,797	2,146,802	752,821	2,139,265	568,118	2,995,539
35 under 45	1,744,011	4,557,279	4,393,032	4,138,123	1,738,290	4,130,905	1,443,093	4,422,598
45 under 55	2,026,075	5,715,377	9,128,702	7,519,928	2,018,726	7,469,908	1,778,318	8,304,632
55 under 65	1,536,299	4,826,510	8,442,631	6,800,937	1,530,001	6,765,876	1,392,454	7,190,363
65 and older	955,551	2,793,525	15,197,833	13,991,499	949,164	13,820,922	897,993	9,173,318
Corporate stock, mutual funds, and other investments								
Donor age	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	131,646	282,340	15,696,625	14,865,203	22,720	24,009	7,218,445	3,561,485
Under 35	1,384	4,220	574,619	583,443	1,826	1,845	126,329	73,889
35 under 45	7,531	18,407	602,348	588,295	3,245	3,398	467,704	242,088
45 under 55	27,681	61,508	2,398,285	2,183,351	2,839	3,528	2,296,308	960,766
55 under 65	34,637	64,872	2,610,967	2,287,849	7,638	7,797	2,221,769	900,722
65 and older	60,414	133,332	9,510,407	9,222,264	7,171	7,441	2,106,335	1,384,020
Art and collectibles								
Donor age	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
	92,518	129,532	1,510,754	1,351,382	233,128	377,958	120,845	116,550
Under 35	1,867	2,205	43,503	42,368	13,061	24,316	4,696	4,696
35 under 45	13,996	17,505	40,841	38,856	41,407	58,869	15,074	15,074
45 under 55	15,661	22,463	138,579	118,832	64,631	106,092	30,813	29,788
55 under 65	27,245	37,797	307,716	319,011	67,473	128,034	37,637	35,658
65 and older	33,750	49,562	980,115	832,314	46,557	60,647	32,624	31,333
Clothing and accessories								
Donor age	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
	5,475,014	12,016,810	7,940,324	7,939,810	467,925	589,041	432,220	432,403
Under 35	585,878	1,061,699	855,976	855,976	34,242	39,813	45,121	45,121
35 under 45	1,398,822	3,045,795	2,048,735	2,048,735	102,725	122,568	101,848	102,478
45 under 55	1,622,493	3,664,360	2,373,792	2,373,314	147,857	200,170	157,024	156,576
55 under 65	1,192,374	2,804,166	1,684,420	1,684,389	106,537	135,950	74,706	74,706
65 and older	675,447	1,440,790	977,401	977,395	76,563	90,540	53,522	53,522

Footnotes at end of table.

Individual Noncash Contributions, 2008

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Table 4. Individual Noncash Charitable Contributions: All Returns with Donations, by Donations Types and Donor Age, Form 8283, Tax Year 2008—Continued

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

Donor age	Household items				Cars and other vehicles			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All ages	2,435,153	4,441,990	3,140,717	3,131,977	255,229	271,136	613,276	573,197
Under 35	214,734	326,615	356,817	351,573	19,684	20,660	34,347	34,347
35 under 45	574,003	1,009,817	734,408	731,701	46,899	47,861	106,620	104,033
45 under 55	694,794	1,209,009	930,247	930,185	81,825	87,981	159,257	144,926
55 under 65	586,063	1,194,247	672,558	672,521	62,891	66,798	103,541	102,314
65 and older	365,559	702,302	446,687	445,996	43,929	47,836	209,511	187,578
Donor age	Other [2]							
	Number of returns	Number of donations		Fair market value		Amount carried to Schedule A [1]		
	(41)	(42)	(43)	(44)				
All ages	863,999	1,345,703	2,685,789	2,625,284				
Under 35	66,770	104,456	155,388	155,388				
35 under 45	169,364	233,059	275,455	266,863				
45 under 55	238,401	360,264	644,397	622,189				
55 under 65	232,755	386,849	729,318	723,766				
65 and older	156,710	261,074	881,231	857,078				

[1] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000).

[2] Other donations includes intellectual property, services, airline tickets and miles, and other donations.

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Table 5. Individual Noncash Charitable Contributions: All Donations Made to Donee Organizations, by Donor Age, Form 8283, Tax Year 2008

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

Donor age	All returns							
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns with contributions on Schedule A	Amount of contributions on Schedule A	Number of returns with cash contributions on Schedule A	Amount of cash contributions on Schedule A
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
All ages	7,017,933	19,478,520	39,358,995	34,597,290	6,989,003	34,326,876	6,079,976	32,086,451
Under 35	755,997	1,585,829	2,196,797	2,146,802	752,821	2,139,265	568,118	2,995,539
35 under 45	1,744,011	4,557,279	4,393,032	4,138,123	1,738,290	4,130,905	1,443,093	4,422,598
45 under 55	2,026,075	5,715,377	9,128,702	7,519,928	2,018,726	7,469,908	1,778,318	8,304,632
55 under 65	1,536,299	4,826,510	8,442,631	6,800,937	1,530,001	6,765,876	1,392,454	7,190,363
65 and older	955,551	2,793,525	15,197,833	13,991,499	949,164	13,820,922	897,993	9,173,318
Donor age	Arts, culture, and humanities				Educational institutions			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
All ages	258,253	356,523	1,714,305	1,584,915	388,563	600,703	3,555,515	3,090,630
Under 35	7,416	9,002	165,722	159,158	21,621	28,930	88,476	95,096
35 under 45	28,495	34,616	32,072	30,089	80,175	118,506	145,655	137,595
45 under 55	62,038	81,577	151,018	136,380	116,873	203,242	660,704	558,721
55 under 65	73,405	106,819	159,470	173,502	85,131	140,890	871,985	587,804
65 and older	86,899	124,510	1,206,023	1,085,786	84,763	109,134	1,788,695	1,711,413
Donor age	Environmental and animal-related organizations				Health and medical research			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	
All ages	130,212	199,901	3,046,110	1,732,439	817,481	1,349,903	1,366,384	1,247,090
Under 35	11,989	12,019	33,041	31,846	49,522	98,843	73,585	73,585
35 under 45	24,944	25,613	284,386	142,352	177,632	268,592	196,913	196,769
45 under 55	33,135	45,729	988,735	322,254	251,970	421,774	274,012	273,905
55 under 65	35,363	81,754	765,682	466,786	196,431	351,160	331,400	278,371
65 and older	24,781	34,786	974,266	769,200	141,926	209,535	490,474	424,460

Footnotes at end of table.

Individual Noncash Contributions, 2008

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Table 5. Individual Noncash Charitable Contributions: All Donations Made to Donee Organizations, by Donor Age, Form 8283, Tax Year 2008—Continued

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

Donor age	Large organizations				Public and societal benefit			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
All ages	5,335,476	11,768,127	9,080,038	8,637,960	1,483,142	2,524,099	3,583,040	2,977,780
Under 35	607,938	1,124,904	1,042,567	1,042,482	106,189	163,812	226,013	181,329
35 under 45	1,356,439	3,009,932	2,091,317	2,089,849	339,557	568,192	508,449	482,914
45 under 55	1,578,767	3,472,321	2,662,834	2,586,481	421,261	706,399	871,512	696,117
55 under 65	1,167,017	2,802,880	2,255,768	1,902,178	381,389	684,736	906,388	787,307
65 and older	625,315	1,358,090	1,027,552	1,016,971	234,746	400,959	1,070,678	830,113
Donor age	Religious organizations				Donor-advised funds			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All ages	1,118,419	1,895,631	3,586,873	3,019,787	22,656	37,644	1,800,987	1,593,053
Under 35	69,240	102,028	146,459	134,828	1,062	1,075	173,311	178,326
35 under 45	233,209	379,795	359,278	359,288	2,815	5,509	149,543	142,005
45 under 55	314,494	566,431	857,306	823,147	6,517	13,764	653,888	487,199
55 under 65	270,636	462,248	1,140,147	656,025	3,678	5,871	290,829	290,268
65 and older	230,840	385,128	1,083,682	1,046,499	8,584	11,427	533,417	495,256
Donor age	Foundations				Other donees			
	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]	Number of returns	Number of donations	Fair market value	Amount carried to Schedule A [1]
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All ages	105,867	177,252	8,589,046	8,063,904	431,706	568,739	3,036,697	2,649,732
Under 35	7,262	10,223	132,630	135,159	32,627	34,994	114,993	114,993
35 under 45	22,338	30,097	401,229	340,124	82,430	116,427	224,189	217,138
45 under 55	27,337	57,187	1,009,274	911,613	115,253	146,953	999,419	724,112
55 under 65	21,190	29,233	1,082,324	1,041,543	116,287	160,919	638,637	617,153
65 and older	27,740	50,511	5,963,589	5,635,465	85,109	109,445	1,059,459	976,337

[1] Amount carried to Schedule A is the fair market value from Section A (items with a deduction of \$5,000 or less or publicly-traded securities) plus the lesser of the fair market value or amount claimed on Section B (items with a deduction of more than \$5,000).

Split-Interest Trusts, Filing Year 2009

by Lisa Schreiber Rosenmerkel

Form 5227, the *Split-Interest Trust Information Return*, is filed by trusts with both charitable and noncharitable beneficiaries. A Form 5227 must be submitted for each calendar year in which a split-interest trust exists; it must be filed with the Internal Revenue Service (IRS) by April 15 of the year following the calendar year described in the return.¹ Because Form 5227 is an information return, it is used to disclose the financial activities of the trust, but not to calculate tax liability.

A split-interest trust can be created by a will or a trust instrument. The trust instrument specifies the term of the trust, designates the trustee(s) and beneficiaries, and provides parameters for managing assets and distributing income. The instrument usually specifies the contents of the trust. The individual who owns, and then transfers, the assets that make up the trust corpus is known as the grantor. The individuals and entities that receive income are known as beneficiaries.

A trustee is charged with holding, investing, and distributing the income and assets of the trust. A trustee may be an individual, a group of individuals, or an entity, such as a bank or charity. Each trustee must ensure that all transactions, including distributions, conform to the requirements of the trust document and to any applicable laws. Additionally, trustees must coordinate the preparation, verification, and submission of all required State and Federal tax forms.

In Filing Year 2009, 122,541 Forms 5227 were filed, primarily for Tax Year 2008 (Figure A).^{2,3} There are three distinct types of split-interest trusts: charitable remainder trusts, charitable lead trusts, and pooled income funds. As in prior years, charitable

remainder trusts were the most common 5227 filers, accounting for 114,500 returns in 2009. Under a charitable remainder trust (CRT) agreement, an income stream is distributed annually to one or more noncharitable beneficiaries of the trust for a defined period.^{4,5} At the conclusion of the period, the trust is dissolved, and the remaining assets are distributed to predetermined charitable beneficiaries.⁶ There are two types of charitable remainder trusts. Charitable remainder annuity trusts (CRATs) and charitable remainder unitrusts (CRUTs) are differentiated by the calculation of the noncharitable distribution amount. Charitable remainder annuity trusts annually distribute a fixed percentage, between 5 percent and 50 percent, of the *initial* fair market value of the property in the trust. Charitable remainder unitrusts distribute a fixed percentage of the fair market value of the trust property, *valued annually*. This percentage is called the “unitrust percentage” and must be between 5 percent and 50 percent.

Trustees of charitable lead trusts filed 6,626 returns in Filing Year 2009. Under a charitable lead trust (CLT) agreement, annual distributions are made to a predetermined charitable beneficiary. The amount of CLT distributions is not constrained by minimum or maximum payout restrictions. At the conclusion of the trust’s predetermined life, the remaining income and assets are distributed to the designated noncharitable beneficiary.

Pooled income funds are the least common type of split-interest trust, with 1,415 returns filed in 2009 (Figure A). Under a pooled income fund (PIF) arrangement, donors to a charitable organization contribute to a pool of donated assets and in return receive income payments for the remainder of the grantors’ lifetimes.⁷ The transfer of assets to the fund must be irrevocable, meaning the assets cannot be removed or replaced with other assets without consent of the beneficiary. The donee charity, commonly a large educational institution, is responsible for the

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¹ Split-interest trusts created before May 27, 1969, are exempt from the requirement to file a Form 5227, as long as no amounts have been transferred to the trust since May 27, 1969.

² A filing year includes all returns submitted to IRS processing between January 1 and December 31.

³ Figure A includes data for six charitable remainder unitrusts that otherwise distorted the analysis presented in this article. Data for these trusts are also included in the aggregate tables presented at the conclusion of this article, as well as the online versions. All other figures and calculations in this article exclude data for these six trusts.

⁴ The period may be either a fixed duration, statutorily limited to 20 years, or the lifetime of a noncharitable beneficiary. For more information on the allowable duration of charitable remainder trusts, see Internal Revenue Code section 664(d)(1)(A) and 664(d)(2)(A).

⁵ In order to qualify, the individual or individuals must be the donor, the donor’s spouse, a linear ancestor of a noncharitable beneficiary, or the spouse of a linear ancestor of a noncharitable beneficiary. For more information, see Treasury Regulations 1.1170A-6(c)(2)(i).

⁶ The qualifications for a “charitable beneficiary” are detailed in Internal Revenue Code section 170(c).

⁷ Pooled income funds are further discussed under Internal Revenue Code section 642(c)(5).

Split-Interest Trusts, Filing Year 2009

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Figure A

Split-Interest Trusts, by Type of Trust, Filing Years 2008 and 2009

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

Item	All			Charitable remainder trusts		
	2008	2009	Percent change	2008	2009	Percent change
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	123,498	122,541	-0.8	115,489	114,500	-0.9
Net asset value, end-of-year [1]	128,080,488	123,792,276	-3.3	106,974,054	104,200,449	-2.6
Book value of assets, end-of-year [2]	130,148,699	125,680,010	-3.4	108,473,185	105,577,412	-2.7
Book value of liabilities, end-of-year [2]	2,068,211	1,887,735	-8.7	1,499,131	1,376,963	-8.1
Item	Charitable lead trusts			Pooled income funds		
	2008	2009	Percent change	2008	2009	Percent change
	(7)	(8)	(9)	(10)	(11)	(12)
Number of returns	6,521	6,626	1.6	1,488	1,415	-4.9
Net asset value, end-of-year [1]	19,648,472	18,274,043	-7.0	1,457,962	1,317,783	-9.6
Book value of assets, end-of-year [2]	20,024,009	18,633,726	-6.9	1,651,505	1,468,871	-11.1
Book value of liabilities, end-of-year [2]	375,537	359,683	-4.2	193,543	151,088	-21.9

[1] Calculated as the end-of-year book value of assets (Form 5227, Part IV, line 50, column (b)) minus the end-of-year book value of liabilities (line 56, column (b)).

[2] Reported on Form 5227, Part IV, column (b).

NOTE: Figure A includes data for six charitable remainder unitrusts that otherwise distorted the analysis presented in this article. Data for these trusts are also included in the aggregate tables presented at the conclusion of this article, as well as on SOIs Tax Stats web site. All other figures and calculations in this article exclude data for these six trusts. Detail may not add to totals due to rounding.

maintenance of the fund, including investing assets and making distributions to beneficiaries. Each year, grantors receive a distribution from the fund based on the ratio of their contributions to the value of the investment pool and the return on the fund assets for that year. At the time of the donor's death, the charity receives the grantor's prorated share of the value of the PIF.

Filing Information

In 2009, the majority of returns were filed for ongoing trusts, in neither the first nor last year of existence. Ongoing trusts accounted for 94.1 percent of all Forms 5227 filed in 2009. Just 2.3 percent of the population comprised initial returns, which were filed for newly created trusts. Final returns were slightly more common; in 2009, preparers for terminating trusts filed 4,464 returns, or 3.6 percent of the total population. Of the three types of SITs, charitable lead trusts were the most likely to file both initial and final returns, with returns for ongoing trusts making up only 86.4 percent of the CLTs filed.

The average lifetime of a terminating trust in Filing Year 2009 was approximately 15 years. Terminating pooled income funds had the longest average

lifetime of all the SIT types, slightly more than 21 years. This extended lifetime could be explained by the institutional structure of PIFs, in which a single charity oversees the assets of multiple donors. Charitable lead trusts terminating in 2009 had an average lifetime of 16 years. Charitable remainder trusts usually have shorter lifetimes given their temporary nature. Charitable remainder unitrusts terminating in Filing Year 2009 had an average lifetime of 15 years. Charitable remainder annuity trusts had the shortest average lifetime, approximately 13 years.

Paid preparers completed 76.8 percent of returns filed in 2009 (Figure B). Of those returns that did not indicate a paid preparer, 89.0 percent reported institutions, such as banks or charities, as the trustee. When entities such as these act as trustee, it is likely that the return was professionally prepared, even if a paid preparer did not sign the return. For example, while paid preparers completed only 55.2 percent of the returns filed for pooled income funds, institutional trustees were reported for 95.0 percent of the PIF returns that did not indicate a paid preparer. Returns for CLTs were most likely to report being completed by a paid preparer. In 2009, only 16.6 percent of returns filed for CLTs did not utilize a paid preparer.

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Income and Deductions

In total, split-interest trust filers reported \$12.3 billion in gross income, defined as the sum of all income from any source prior to deductions (Figure C). Charitable remainder unitrusts, which represented the majority of returns filed, also accounted for the highest amount of gross income, \$9.1 billion. However, returns filed for charitable lead trusts reported the highest average gross income per return. The 6,376 CLT returns reported gross income of \$2.4 billion, or approximately \$374,000 per return. Charitable remainder annuity trust preparers reported the lowest average gross income per return, approximately \$36,000.

Charitable remainder trusts that incurred any unrelated business taxable income were required to file Form 4720, *Return of Certain Excise Taxes Under Chapters 41 and 42 of the Internal Revenue Code*.⁸

In Filing Year 2009, filers of 147 charitable remainder trust returns reported unrelated business income (UBI) on Form 5227. Nearly 98 percent of those reporting UBI were CRUTs.

Trust income is divided into three income categories: ordinary income, capital gains, and nontaxable income. Income reported for all trust types fell between the 2008 and 2009. Ordinary income made up the majority of trust income for all trust types (Figure D). This is primarily the result of a sharp decline in capital gains. Total capital gains reported in 2009 was negative for all trust types. While long-term capital gains were positive for most trust types, short-term capital gains were negative for each trust type. Dividends and business income made up the largest portion of ordinary income for all trust types, while farm income was the smallest component of ordinary income. Interest earned on bonds issued by

Figure B

Utilization of Paid Preparers and Distribution of Trustee Type, by Type of Trust, Filing Year 2009

[All figures are estimates based on samples]

Preparer status, type of trustee	All	Charitable remainder annuity trusts	Charitable remainder unitrusts	Charitable lead trusts	Pooled income funds
	(1)	(2)	(3)	(4)	(5)
All returns	122,535	18,572	95,922	6,626	1,415
Paid preparer [1]	94,120	12,230	75,584	5,524	781
Unpaid preparer	28,415	6,342	20,338	1,101	634
Institutional trustee	25,295	5,874	17,898	920	602
Non-institutional trustee	3,120	468	2,440	181	32

[1] The presence of a paid preparer is indicated on page 6 of Form 5227.

Figure C

Gross Income, by Type of Trust, Filing Year 2009

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

Item	All	Charitable remainder annuity trusts	Charitable remainder unitrusts	Charitable lead trusts	Pooled income funds
	(1)	(2)	(3)	(4)	(5)
Number of returns	122,535	18,572	95,922	6,626	1,415
Number of returns with gross income	117,790	18,197	91,844	6,376	1,373
Amount of gross income reported	12,280,496	666,281	9,144,921	2,382,614	86,681

NOTE: Detail may not add to totals due to rounding.

⁸ Any income that a charitable remainder trust received that is the result of a trade or business that is not substantially related to its exempt purpose is subject to tax. One example of unrelated business income is debt financed income, which includes dividends from stock purchased through a margin account. For more information, see IRS Publication 598, *Tax on Unrelated Business Income of Exempt Organizations*.

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Figure D

Income and Deductions, by Type of Trust, Filing Year 2009

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

Item	Charitable remainder annuity trusts	Charitable remainder unitrusts	Charitable lead trusts	Pooled income funds
	(1)	(2)	(3)	(4)
Number of returns	18,572	95,922	6,626	1,415
Total net income [1]	197,019	3,125,935	N/A	N/A
Net ordinary income [2]	210,474	3,650,181	N/A	N/A
Total ordinary income	271,530	4,374,407	1,203,112	69,855
Interest income	85,940	809,451	240,583	23,479
Dividends and business income (loss)	162,124	1,780,220	936,970	45,929
Rents, royalties, partnerships, other estates and trusts, etc.	14,091	182,803	41,706	* 333
Farm income (loss)	* 97	* 1	* 53	0
Ordinary gain (loss)	100	9,839	-46,449	0
Other income	9,179	1,592,092	30,249	114
Deductions allocable to ordinary income [3]	61,056	724,226	N/A	N/A
Net capital gains (losses) [4]	-45,938	-632,839	N/A	N/A
Total capital gains (losses)	-43,825	-494,217	-46,461	-29,589
Total short-term capital gains (losses)	-174,958	-1,819,821	-533,456	-15,051
Total long-term capital gains (losses)	131,133	1,325,604	486,995	-14,537
Deductions allocable to capital gains [3]	2,112	138,621	N/A	N/A
Net nontaxable income [5]	32,482	108,593	N/A	N/A
Total nontaxable income	37,187	134,981	39,467	* 1
Tax-exempt interest	35,380	110,573	38,517	* 1
Other nontaxable income	1,807	24,408	950	0
Deductions allocable to nontaxable income [3]	4,705	26,388	N/A	N/A
Total deductions [6]	68,347	907,719	274,425	9,344
Interest	1,049	49,586	36,593	* 71
Taxes	1,227	13,707	38,006	41
Trustee fees	38,616	230,316	35,833	3,761
Attorney, accountant, and return preparer fees	8,029	66,680	13,578	231
Other allowable deductions	19,426	547,430	150,415	5,240

*Estimate should be used with caution because of the small number of sample returns on which it is based.

N/A: Value not available. Items related to net income and deductions are not reported for CLTs or PIFs.

[1] Calculated as the sum of "net ordinary income" (Form 5227, Part I, Section E, line 24b), "net capital gains (losses)" (line 25b), and "net nontaxable income" (line 26b).

[2] Reported on Form 5227, Part I, Section E, line 24b.

[3] Included in "total deductions" amount given on Form 5227, Part I, Section D, line 22.

[4] Reported on Form 5227, Part I, Section E, line 25b.

[5] Reported on Form 5227, Part I, Section E, line 26b.

[6] Reported on Form 5227, Part I, Section D, line 22. Deductions shown are for informational purposes only and are included in the deduction items above for CRATs and CRUTs.

State and local governments represented the majority of nontaxable income.

Total deductions between from 2008 and 2009, as well. Charitable remainder annuity trust filers reported trustee's fees as the largest deduction (Figure D). Deductions for interest and taxes are the smallest deductions reported for charitable remainder trusts and pooled income funds. Attorney, accountant, and return preparer fees are the smallest deductions reported for charitable lead trusts.

Balance Sheet

Overall, the total end-of-year assets, which include cash, receivables, and investments, reported for split-interest trusts declined by 11.7 percent between 2008 and 2009 (Figure E). Total investments followed a similar trend, declining by 13.5 percent. Corporate stock remained the largest investment category; however, the reported amounts declined 10.1 percent between 2008 and 2009. Other investments declined the most, 19.9 percent, from \$42.2 billion to \$33.8

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billion.⁹ The only investment category that did not notably decline was land, buildings, and equipment, remaining at \$1.2 billion.

The value of land, buildings, and equipment for charitable remainder annuity trusts and charitable remainder unitrusts increased 13.4 percent and 4.0 percent, respectively. Charitable remainder unitrusts reported the greatest decline in total investment values, falling 14.8 percent from 2008. Total investments reported for charitable lead trusts declined only 8.4 percent. Unlike other filers, trustees of pooled income funds reported increases in both U.S. and State government obligations and corporate stock. Overall, liabilities declined 9.5 percent from \$2.1 billion in 2008 to \$1.9 billion in 2009.

Charitable Distributions

Trustees for all split-interest trusts must report any trust distributions of principal or income for charitable purposes on Form 5227. In 2009, distributions

of principal were made more frequently and in higher dollar amounts than distributions of income. Some 17,079 distributions of principal totaling \$1.5 billion were made to charities in Filing Year 2009 (Figure F). This is a decline of more than 22 percent from the values reported in 2008. Charitable lead trusts continued to make the highest number of distributions of principal, largely due to the annual charitable distributions required by their trust structures. However, charitable remainder unitrusts distributed the largest dollar amount of principal distributions, \$931.3 million. This large amount is primarily the result of the final distributions made by charitable remainder trusts at the end of their lifetimes. Final distributions include all assets remaining in the trust and totaled \$762.4 million in Filing Year 2009. Education-related charities received the highest number of distributions of principal, some 4,017 or 23.5 percent of total distributions; however, charities related to public or societal benefit received the largest amount

Figure E

Investment Allocations, by Type of Trust, Filing Years 2008 and 2009

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

Item	All		Charitable remainder annuity trusts		Charitable remainder unitrusts		Charitable lead trusts		Pooled income funds	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total book value of assets at end-of-year	130,148,699	114,879,772	9,089,552	8,232,133	99,383,633	86,545,042	20,024,009	18,633,726	1,651,505	1,468,871
Total investments	114,872,033	99,331,100	7,781,648	6,977,811	88,920,579	75,744,415	16,648,955	15,244,402	1,520,851	1,364,472
U.S. and State government obligations [1]	7,198,512	6,409,166	1,018,574	1,006,956	5,405,613	4,640,086	662,199	619,023	112,126	143,101
Corporate stock [2]	54,685,522	49,148,928	4,250,440	3,701,494	42,978,885	38,798,487	7,115,414	6,286,435	340,783	362,512
Corporate bonds [3]	9,562,480	8,760,517	1,075,405	933,412	7,350,600	6,730,154	681,189	687,883	455,286	409,068
Land, buildings, and equipment [4]	1,230,744	1,233,968	95,898	108,707	879,894	914,942	192,156	182,174	* 62,796	* 28,145
Other investments [5]	42,194,774	33,778,521	1,341,331	1,227,241	32,305,586	24,660,746	7,997,997	7,468,887	549,860	421,647
Total book value of liabilities	2,068,212	1,887,734	157,979	92,360	1,341,153	1,284,603	375,537	359,683	193,543	151,088

*Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Reported on Form 5227, Part IV, line 45a, column (b).

[2] Reported on Form 5227, Part IV, line 45b, column (b).

[3] Reported on Form 5227, Part IV, line 45c, column (b).

[4] Reported on Form 5227, Part IV, line 46, column (b).

[5] Reported on Form 5227, Part IV, line 47, column (b).

NOTE: Detail may not add to totals due to rounding and taxpayer reporting discrepancies.

⁹ Other investments includes all investment holdings that could not be classified as a government obligation, corporate stock, corporate bonds, or land, buildings, and equipment. Examples include obligations issued by foreign governments and shares of hedge funds.

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Figure F

Charitable Distributions of Principal, by Type of Trust and Charity Type, Filing Year 2009

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

Charity type	All		Charitable remainder annuity trusts		Charitable remainder unitrusts		Charitable lead trusts		Pooled income funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total	17,079	1,509,314	2,019	175,708	6,972	931,322	7,500	358,217	588	44,067
Arts, culture, and humanities	1,373	58,846	328	35,143	200	12,767	830	10,635	* 14	* 301
Education	4,017	455,612	678	89,489	1,869	270,163	1,232	71,511	239	24,449
Environment, animals	562	28,518	* 84	* 9,897	212	12,760	229	2,994	37	2,867
Health	2,104	222,858	179	8,306	806	183,676	1,087	29,894	* 32	* 983
Human services	3,118	130,759	270	10,552	1,180	72,323	1,619	42,725	49	5,159
International, foreign affairs	187	1,017	* 16	* 74	* 4	* 112	165	442	* 2	* 388
Public, societal benefit	2,539	463,047	138	10,101	971	278,479	1,409	167,581	* 20	* 6,887
Religion related	2,724	127,581	293	11,709	1,600	97,830	641	15,089	191	2,954
Mutual membership benefit organizations	* 64	* 31	0	0	* 60	* 12	* 4	* 20	0	0
Other	389	21,044	* 33	* 437	* 68	* 3,201	284	17,326	* 4	* 80

*Estimate should be used with caution because of the small number of sample returns on which it is based.

NOTES: "Number" shown in the heading for columns 1, 3, 5, etc. refers to the number of unique distributions. Detail may not add to totals because of rounding.

of principal distributions, some \$463.0 million or 30.7 percent of the total.

Distributions of income to charity were less frequent and smaller in amount than those derived from principal. In total, 13,827 distributions of income were made to charitable beneficiaries totaling \$1.0 billion (Figure G). As would be expected given their structures, charitable lead trusts dominated both the number and amount of charitable distributions of income, comprising 74.8 percent and 83.8 percent, respectively. As with principal distributions, education-oriented charities received the highest number of distributions of income from split-interest trusts overall, while charities organized for public or societal benefit received the largest amount of income distributions.

Noncharitable Distributions

Noncharitable distribution amounts of charitable remainder unitrusts are based on a fixed percentage of the fair market value of the trust property, *valued annually*. This percentage is called the "unitrust percentage" and must be between 5 percent and 50 percent. The majority, 86.4 percent, of 2009 filings for CRUTs reported unitrust percentages between 5 and

10 percent (Figure H). Less than 1 percent of filings reported unitrust percentages greater than 20 percent.

In Filing Year 2009, the majority of all CRUT trustees reported calculating noncharitable distributions using the standard structure. The standard structure requires them to distribute the unitrust amount, calculated as the unitrust percentage multiplied by the net fair market value of assets, to beneficiaries (Figure I). This ensures the most stable payment for beneficiaries; however, in years of poor investment performance, the trustee may have to liquidate trust assets to make the payment. In addition to the standard charitable remainder unitrust structure, two common variants allow for added flexibility of noncharitable distributions. The net income charitable remainder unitrust (NI-CRUT) variant permits the trustee to distribute only the amount of trust income earned in that year, when that amount is less than the distribution that would otherwise be required.¹⁰ By allowing the trustee to limit distributions in years when the trust's income is low, depletion of the trust corpus can be avoided. Only 4.8 percent of CRUTs were identified as NI-CRUTs. The net income with makeup charitable remainder unitrust (NIM-CRUT) variant works like a NI-CRUT,

¹⁰ For more information regarding net income charitable remainder unitrusts, see Internal Revenue Code section 664(d)(3)(A).

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Figure G

Charitable Distributions of Income, by Type of Trust and Charity Type, Filing Year 2009

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

Charity type	All		Charitable remainder annuity trusts		Charitable remainder unitrusts		Charitable lead trusts		Pooled income funds	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total	13,827	1,030,234	871	13,426	2,357	151,784	10,348	863,696	251	1,328
Arts, culture, and humanities	1,591	32,798	232	1,071	156	14,069	1,192	17,656	* 11	* 2
Education	3,062	113,779	211	4,884	583	24,576	2,152	83,391	116	928
Environment, animals	797	13,673	* 21	* 47	* 52	* 98	709	13,520	* 14	* 7
Health	1,705	69,722	132	1,786	136	30,705	1,385	37,182	* 53	* 51
Human services	2,144	50,085	133	2,158	433	23,068	1,550	24,849	28	10
International, foreign affairs	146	2,171	* 3	* 69	* 3	* 5	139	2,093	* 2	* 5
Public, societal benefit	2,001	685,148	65	2,849	268	39,956	1,656	642,341	* 12	* 1
Religion related	1,853	39,353	70	553	662	17,808	1,107	20,669	* 13	* 324
Mutual membership benefit organizations	* 25	* 65	* 1	* 1	* 20	* 63	* 4	* 1	0	0
Other	503	23,440	* 4	* 8	* 44	* 1,438	453	21,995	* 2	[1]

*Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Amount less than \$500.

NOTES: "Number" shown in the heading for columns 1, 3, 5, etc. refers to the number of unique distributions. Detail may not add to totals because of rounding.

in that the trustee is allowed to distribute the lesser of the trust income or the required percentage of fair market value.¹¹ However, the reductions in required distributions accumulate, and the trustee must make up for previous distribution deficiencies when trust

income permits. Approximately 17.3 percent of CRUTS were identified as NIM-CRUTS. CRUTs with \$3 million or more in end-of-year book value assets were more likely than those with fewer assets to be NIM-CRUTs.

The *Current Distributions Schedule* on Schedule A of Form 5227 details current-year noncharitable distributions made by trustees of both CRATs and CRUTs. Overall, the amount of noncharitable distributions declined only slightly between 2008 and 2009, likely the result of the fixed distributions required by many charitable remainder trusts agreements. As in 2008, long-term capital gains dominated the distributions for both CRATs and CRUTs in 2009 (Figure J). Ordinary income, primarily interest and dividends, was the second most common distribution. Nontaxable income comprised the smallest portion of all distributions. Distributions from corpus comprised a higher percentage of total distributions for CRATs than it did for CRUTs. This may be the result of the strict distribution requirements that typify CRAT agreements. Since the noncharitable distribution amount is fixed throughout the trust's life, trustees may find it necessary to liquidate assets in the corpus to meet the requirement.

Figure H

Charitable Remainder Unitrusts: Reported Unitrust Percentage, Filing Year 2009

[All figures are estimates based on samples]

Unitrust percentage	Number of returns	Percent of total
All returns [1]	95,922	100.0
5 percent, under 10 percent	82,870	86.4
5 percent under 6 percent	21,316	22.2
6 percent under 7 percent	18,390	19.2
7 percent under 8 percent	19,464	20.3
8 percent under 9 percent	18,749	19.5
9 percent under 10 percent	4,951	5.2
10 percent under 20 percent	12,416	12.9
20 percent under 35 percent	502	0.5
35 percent to 50 percent	133	0.1

[1] Includes 1,742 returns for which an invalid unitrust percentage was reported and efforts made to correct the unitrust percentage were not successful.

NOTES: Detail may not add to totals due to rounding.

¹¹ For more information regarding net income with makeup charitable remainder unitrusts, see Internal Revenue Code section 664(d)(3)(B).

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Asset Donation

The *Assets and Donor Information* section of Schedule A, Form 5227, details both initial and additional asset contributions to the trust, as well as the date and source of the contribution. Some 5.0 percent of all split-interest trust filers reported asset contributions of some kind (Figure K). Of the 6,133 returns that reported asset contributions, 48.8 percent were initial returns. These initial returns also reported 82.3 percent of the total value of all contributions. Stocks composed 29.6 percent of overall contributions by value. Bonds were by far the least common contribution, making up only 1.5 percent of the total. Pooled income fund trustees were the most likely of any SIT type to report contributions. This may be explained by the structure of a pooled income fund, in which multiple donors join the fund over its lifetime, contributing assets as they join.

Summary

In 2009, 122,535 *Split-Interest Trust Information Returns* (Form 5227) were filed for charitable remainder trusts, charitable lead trusts, and pooled income funds. In total, split-interest trust filers reported \$12.3 billion in gross income and \$115.0 billion in end-of-year assets. Trustees reported approximately \$2.5 billion in charitable distributions and \$6.6 billion in noncharitable distributions. Split-interest

trusts received more than \$4.2 billion in asset contributions throughout the year.

Data Sources and Limitations

The data presented in this article were collected from a sample of Forms 5227, *Split-Interest Trust Information Returns*, selected during Filing Year 2009. A filing year includes returns received by IRS for processing between January 1 and December 31 of a given year and primarily comprises returns for the tax year immediately prior. However, it may include late-filed returns for numerous other tax years. For Filing Year 2009, approximately 97.8 percent of returns included in the sample were for Tax Year 2008, while Tax Year 2007 returns comprised 1.7 percent of the sampled returns. Partial year returns, for either initial or final reporting periods, were included in the SOI sample. All returns included in the sample were computer-designated at the IRS Ogden Submission Processing Center after posting to the IRS Master File.

For Filing Year 2009, a sample of 12,262 returns was drawn from an estimated population of 123,198. The sample size excluded returns that were selected for the sample but later rejected. Returns could be rejected if they were not one of the four types of trusts included in the study or if no money amounts were reported. The sample was stratified by the type of the trust (charitable remainder annuity trust, charitable remainder unitrust, charitable lead trust,

Figure I

Charitable Remainder Unitrust (CRUT) Types, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009

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

CRUT type	All		Size of end-of-year book value of total assets					
			Under \$500,000 [1]		\$500,000 under \$3 million		\$3 million or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
All CRUTs	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All CRUTs	95,922	100.0	66,548	100.0	25,671	100.0	3,702	100.0
Standard CRUT	74,689	77.9	52,108	78.3	20,011	78.0	2,570	69.4
Net income CRUT	4,617	4.8	3,443	5.2	1,041	4.1	133	3.6
Net income with makeup CRUT	16,616	17.3	10,997	16.5	4,619	18.0	999	27.0

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

NOTE: Detail may not add to totals due to rounding.

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Figure J

Noncharitable Distributions, by Charitable Remainder Trust Type, Filing Year 2009

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

Item	All charitable remainder trusts		Charitable remainder annuity trusts		Charitable remainder unitrusts	
	Number or amount	Percent of total	Number or amount	Percent of total	Number or amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	114,494	N/A	18,572	N/A	95,922	N/A
Total noncharitable distributions [1]	6,568,505	100.0	734,959	100.0	5,833,546	100.0
Ordinary income [2]	2,238,357	34.1	205,613	28.0	2,032,745	34.8
Short-term capital gains [3]	139,283	2.1	5,866	0.8	133,417	2.3
Long-term capital gains [4]	3,430,176	52.2	317,054	43.1	3,113,122	53.4
Nontaxable income [5]	88,574	1.3	31,093	4.2	57,481	1.0
Corpus [6]	672,114	10.2	175,332	23.9	496,782	8.5

[1] May include distributions made after December 31 of the tax year and therefore may not be reflected on the accumulation schedule.

[2] Reported on Form 5227, Schedule A, Part II-A, column (d).

[3] Reported on Form 5227, Schedule A, Part II-A, column (e).

[4] Reported on Form 5227, Schedule A, Part II-A, column (f).

[5] Reported on Form 5227, Schedule A, Part II-A, column (g).

[6] Reported on Form 5227, Schedule A, Part II-A, column (h).

NOTE: Detail may not add to totals due to rounding.

Figure K

Asset Contributions, by Type of Trust and Asset Type, Filing Year 2009

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

Item	All	Charitable remainder annuity trusts	Charitable remainder unitrusts	Charitable lead trusts	Pooled income funds
	(1)	(2)	(3)	(4)	(5)
Number of returns	122,535	18,572	95,922	6,626	1,415
Number of trusts with asset contributions [1]	6,133	542	4,773	592	226
Total asset contributions	4,206,011	320,551	2,526,499	1,352,121	6,841
Cash and money market accounts	1,199,329	89,940	471,234	635,980	2,175
Stocks [2]	1,244,724	** 230,610	1,078,028	115,174	** 4,666
Bonds	61,699	**	* 18,952	** 50,649	0
Real estate [3]	404,191	**	351,010	**	0
Other assets [4]	1,296,069	**	607,275	550,318	**

*Estimate should be used with caution because of the small number of sample returns on which it is based.

**Data are combined to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

[1] Asset contributions are reported on Form 5227, Schedule A, Part III and include both initial contributions made when the trust is created and additional contributions made during the lifetime of the trust.

[2] The value of stock includes both publicly traded and closely held stocks.

[3] The value given for real estate includes traditional real estate as well as real estate mutual funds and partnerships.

[4] Other assets includes such items as retirement assets, annuities, partnerships, insurance assets, and art.

NOTE: Detail may not add to totals due to rounding.

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or pooled income fund) and the reported end-of-year book value of total assets. Figure L details the sampling strata and rates. The magnitude of sampling error for selected items, measured by coefficients of variation, is shown in Figure M.

All samples were designed to provide reliable estimates of financial activity. All data were collected from original returns as they were filed. All edited returns were subjected to comprehensive testing and data verification procedures to ensure the highest

quality of data. Changes that were made to the return after filing, either by the taxpayer (on an amended return) or during IRS processing, generally were not incorporated. A complete discussion of the reliability of estimates based on samples, methods for evaluating the magnitude of both sampling and nonsampling error, and the precision of the sample estimates can be found in SOI Sampling Methodology and Data Limitations later in this issue of the *SOI Bulletin* or at www.irs.gov/pub/irs-soi/sampling.pdf.

Figure L

Population, Sample, and Sampling Rates, by Type of Split-Interest Trust and Size of End-of-Year Book Value of Total Assets, Filing Year 2009

Type of trust, item	All	Reported end-of-year book value of total assets [1]		
		Less than \$1 million	\$1 million under \$10 million	\$10 million or more
	(1)	(2)	(3)	(4)
Charitable remainder annuity trusts:				
Population [2]	18,681	17,087	1,527	67
Sample	1,722	1,046	609	67
Sampling rate (percentage)	9.2	6.1	39.9	100.0
Charitable remainder unitrusts:				
Population [2]	96,332	82,371	13,153	808
Sample	9,265	4,089	4,368	808
Sampling rate (percentage)	9.6	5.0	33.2	100.0
Charitable lead trusts:				
Population [2]	6,741	4,463	1,998	280
Sample	1,037	246	511	280
Sampling rate (percentage)	15.4	5.5	25.6	100.0
Pooled income funds:				
Population [2]	1,444	1,230	188	26
Sample	238	117	95	26
Sampling rate (percentage)	16.5	9.5	50.5	100.0

[1] This is the value the tax preparer reported on Form 5227, Part IV, line 50, column (b). "Less than \$1 million" includes returns that did not report end-of-year book value of total assets from the balance sheet, or that reported the amount as zero.

[2] These population totals include returns that were rejected during the editing process. Returns could be rejected if they were not one of the four types of trusts included in the study or if no money amounts were reported. As a result, these totals may not match totals presented elsewhere in the article.

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Figure M

Coefficients of Variation for Selected Items, by Type of Split-Interest Trust and Size of End-of-Year Book Value of Total Assets, Filing Year 2009

Type of trust, Item	All	Size of end-of-year book value of total assets		
		Under \$500,000 [1]	\$500,000 under \$3 million	\$3 million or more
		Coefficient of variation (percentage)		
	(1)	(2)	(3)	(4)
Charitable remainder annuity trusts:				
Number of returns	0.54	1.27	5.22	5.20
Net ordinary income [2]	2.85	6.76	5.18	4.62
Net capital gains [3]	13.43	30.18	23.75	18.82
Net capital losses [4]	4.90	9.47	8.18	9.07
Net nontaxable income [5]	9.35	25.65	12.92	14.79
End-of-year total assets (book value) [6]	1.82	3.77	3.91	3.35
End-of-year total liabilities (book value) [7]	13.39	21.75	25.68	10.32
Charitable remainder unitrusts:				
Number of returns	0.10	0.74	1.92	2.09
Net ordinary income [2]	0.93	5.39	3.98	0.60
Net capital gains [3]	1.23	10.42	6.89	1.10
Net capital losses [4]	3.47	9.21	3.89	5.85
Net nontaxable income [5]	13.91	13.70	27.11	4.97
End-of-year total assets (book value) [6]	0.46	1.46	1.38	0.69
End-of-year total assets (fair market value) [8]	4.64	9.44	8.52	6.44
End-of-year total liabilities (book value) [7]	0.87	2.20	2.81	0.76
Charitable lead trusts:				
Number of returns	0.36	3.98	5.03	3.77
Total ordinary income	27.27	81.55	8.12	2.35
Total capital gains	3.84	23.73	14.89	3.98
Total capital losses	6.28	24.77	16.07	5.82
Total nontaxable income	5.79	50.39	16.15	3.37
End-of-year total assets (book value) [6]	1.29	8.00	4.12	1.73
End-of-year total liabilities (book value) [7]	6.63	34.08	27.27	5.60
Pooled income funds:				
Number of returns	0.17	2.62	13.75	6.98
Total ordinary income	2.45	10.04	8.99	3.47
Total capital gains	8.83	41.47	27.43	9.03
Total capital losses	5.28	19.51	17.67	6.30
Total nontaxable income	3.66	N/A	N/A	3.66
End-of-year total assets (book value) [6]	2.52	9.47	9.27	3.63
End-of-year total liabilities (book value) [7]	0.81	43.78	63.69	0.27

N/A denotes a coefficient of variation that could not be calculated due to a lack of information.

[1] Includes returns that did not report end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing final returns.

[2] Reported on Form 5227, Part I, line 24b.

[3] Reported on Form 5227, Part I, line 25b where the value is positive.

[4] Reported on Form 5227, Part I, line 25b where the value is negative.

[5] Reported on Form 5227, Part I, line 26b.

[6] Reported on Form 5227, Part IV, line 50, column (b).

[7] Reported on Form 5227, Part IV, line 56, column (b).

[8] For charitable remainder unitrusts, taken from an estimated end-of-year fair market value.

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Table 1. Charitable Remainder Annuity Trusts: Income and Deductions, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009

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

Item	Total	Size of end-of-year book value of total assets				
		Under \$500,000 [1]	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	18,572	15,017	2,010	1,174	307	65
Total net income [3]	197,019	28,133	41,830	44,299	48,915	33,841
Net ordinary income [4]	210,474	47,453	32,260	45,193	38,497	47,071
Total ordinary income	271,530	65,185	43,766	59,225	49,320	54,034
Interest income	85,940	18,100	15,787	19,682	14,892	17,478
Dividends and business income (loss)	162,124	40,865	26,750	34,163	27,001	33,345
Rents, royalties, partnerships, other estates and trusts, etc.	14,091	2,266	* -44	2,685	6,734	2,450
Farm income (loss)	* 97	0	0	* 97	0	0
Ordinary gain (loss)	100	* -33	0	[2]	* 142	-8
Other income	9,179	3,986	1,273	2,599	552	769
Deductions allocable to ordinary income [5]	61,056	17,732	11,506	14,031	10,823	6,964
Net capital gains (losses) [6]	-45,938	-26,308	3,371	-7,696	-308	-14,997
Total capital gains (losses)	-43,825	-25,353	3,873	-7,406	-46	-14,894
Total short-term capital gains (losses)	-174,958	-20,089	-32,862	-31,191	-39,736	-51,080
Total long-term capital gains (losses)	131,133	-5,264	36,735	23,786	39,690	36,186
Deductions allocable to capital gains [5]	2,112	956	* 502	291	261	103
Net nontaxable income [7]	32,482	6,989	6,198	6,802	10,725	1,767
Total nontaxable income	37,187	7,974	7,643	7,657	11,975	1,937
Tax-exempt interest	35,380	7,177	7,627	7,596	11,095	1,885
Other nontaxable income	1,807	798	* 16	* 61	* 880	52
Deductions allocable to nontaxable income [5]	4,705	985	1,444	855	1,250	170
Total deductions [8]	68,347	19,981	13,524	15,227	12,379	7,236
Interest	1,049	* 277	* 8	89	663	13
Taxes	1,227	112	204	203	549	159
Trustee fee	38,616	10,170	9,897	9,528	6,093	2,927
Attorney, accountant, and return preparer fees	8,029	4,595	1,234	1,300	675	225
Other allowable deductions	19,426	4,827	2,181	4,106	4,399	3,912

*Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Value is less than \$500.

[3] Calculated as the sum of "net ordinary income" (Form 5227, Part I, Section E, line 24b), "net capital gains (losses)" (line 25b), and "net nontaxable income" (line 26b).

[4] Taken from Form 5227, Part I, Section E, line 24b.

[5] Included in "total deductions" amount given on Form 5227, Part I, Section D, line 22.

[6] Taken from Form 5227, Part I, Section E, line 25b.

[7] Taken from Form 5227, Part I, Section E, line 26b.

[8] Taken from Form 5227, Part I, Section D, line 22.

NOTE: Detail may not add to totals due to rounding.

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Table 2. Charitable Remainder Annuity Trusts: Accumulation and Distribution Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009

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

Item	Total	Size of end-of-year book value of total assets				
		Under \$500,000 [1]	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
		(1)	(2)	(3)	(4)	(5)
Number of returns		18,572	15,017	2,010	1,174	307
Total accumulations of income [2]	5,153,398	1,460,055	651,234	969,998	932,620	1,139,491
Net ordinary income	433,300	88,646	45,805	86,967	110,906	100,976
Net capital gains (losses)	4,516,957	1,301,339	575,642	850,495	759,037	1,030,444
Net nontaxable income	203,141	70,069	29,787	32,536	62,678	8,071
Prior-year undistributed income [3]	4,956,379	1,431,921	609,404	925,699	883,705	1,105,650
Net ordinary income	222,826	41,193	13,545	41,774	72,409	53,905
Net capital gains (losses)	4,562,894	1,327,648	572,270	858,191	759,344	1,045,441
Net nontaxable income	170,659	63,080	23,589	25,734	51,952	6,303
Current year net income [4]	197,019	28,133	41,830	44,299	48,915	33,841
Net ordinary income	210,474	47,453	32,260	45,193	38,497	47,071
Net capital gains (losses)	-45,938	-26,308	3,371	-7,696	-308	-14,997
Net nontaxable income	32,482	6,989	6,198	6,802	10,725	1,767
Distributions of income [5]	561,405	192,161	91,175	108,820	83,416	85,833
Net ordinary income	205,744	56,291	32,844	43,334	31,733	41,543
Net capital gains (losses)	324,434	128,175	48,903	60,581	43,182	43,593
Net nontaxable income	31,226	7,695	9,428	4,905	8,502	698
Undistributed at end of year [6]	4,591,993	1,267,893	560,059	861,178	849,204	1,053,658
Net ordinary income	227,556	32,355	12,961	43,633	79,173	59,433
Net capital gains (losses)	4,192,522	1,173,164	526,738	789,913	715,855	986,852
Net nontaxable income	171,915	62,374	20,359	27,632	54,176	7,373

*Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part II, line 29.

[3] Taken from Form 5227, Part II, line 27.

[4] Taken from Form 5227, Part II, line 28.

[5] Taken from Form 5227, Schedule A, Part I, line 2b.

[6] Taken from Form 5227, Schedule A, Part I, line 3.

NOTE: Detail may not add to totals due to rounding.

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Table 3. Charitable Remainder Annuity Trusts: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009

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

Item	Total	Size of end-of-year book value of total assets				
		Under \$500,000 [1]	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	18,572	15,017	2,010	1,174	307	65
Total net assets [2]	8,139,773	1,638,437	1,461,339	1,831,411	1,567,803	1,640,783
Total assets [3]	8,232,133	1,687,129	1,466,421	1,850,100	1,575,371	1,653,112
Cash	150,731	34,576	47,836	38,095	22,930	7,295
Savings and temporary cash investments	655,093	105,057	124,833	155,615	134,874	134,713
Accounts receivable	5,238	2,823	* 591	998	* 26	800
Receivables due from officers, directors, trustees, etc.	18,864	9,680	* 384	* 988	0	7,812
Other notes and loans receivable	152,247	22,255	* 28,320	44,994	* 2,503	54,175
Inventories for sale or use	* 156	0	0	* 156	0	0
Prepaid expenses and deferred charges	560	* 88	* 68	* 402	* 2	0
Total investments	6,977,811	1,435,595	1,205,442	1,539,549	1,383,619	1,413,607
Securities	5,641,863	1,150,284	1,041,196	1,246,907	1,204,173	999,303
Government obligations	1,006,956	135,648	173,785	230,075	324,289	143,159
Corporate stock	3,701,494	796,064	681,168	801,862	688,201	734,199
Corporate bonds	933,412	218,572	186,243	214,970	191,683	121,944
Land, buildings, and equipment	108,707	* 16,442	0	48,896	* 29,694	13,675
Other investments	1,227,241	268,869	164,245	243,745	149,752	400,629
Charitable purpose land, buildings, and equipment	48,151	* 3,640	0	* 14,139	* 20,862	9,510
Other assets	223,277	73,413	58,948	55,162	* 10,553	25,200
Total liabilities [4]	92,360	48,692	5,082	18,689	7,568	12,330
Accounts payable and accrued expenses	14,233	9,654	* 2,866	1,641	* 50	21
Deferred revenue	* 5,313	* 1,539	0	* 3,774	0	0
Loans from officers, directors, trustees, etc.	* 1,370	* 103	0	* 837	* 430	0
Mortgages and other notes payable	* 5,750	* 5,293	0	* 238	* 218	0
Other liabilities	65,695	32,103	2,215	12,199	6,870	12,308

*Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part IV, line 59, column (b). This is the excess of total assets over total liabilities. This value may deviate from the calculated value of total assets (line 50, column (b)) less total liabilities (line 56, column (b)) due to taxpayer reporting discrepancies.

[3] Taken from Form 5227, Part IV, line 50, column (b).

[4] Taken from Form 5227, Part IV, line 56, column (b).

NOTE: Detail may not add to totals due to rounding.

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Table 4. Charitable Remainder Unitrusts: Income and Deductions, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009

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

Item	Total	Size of end-of-year book value of total assets				
		Under \$500,000 [1]	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	95,928	66,548	15,294	10,378	2,916	792
Total net income [2]	7,153,125	56,080	-4,560	196,760	-5,282	6,910,127
Net ordinary income [3]	3,650,181	294,393	262,810	408,058	324,701	2,360,219
Total ordinary income	5,853,173	437,156	355,964	539,043	439,750	4,081,259
Interest income	1,336,440	100,014	93,726	152,540	122,747	867,414
Dividends and business income (loss)	2,059,555	302,701	232,946	361,413	306,223	856,272
Rents, royalties, partnerships, other estates and trusts, etc.	855,245	17,063	14,350	12,965	10,220	800,646
Farm income (loss)	* 1	0	0	0	* 1	0
Ordinary gain (loss)	9,839	6,196	* 2,179	675	239	551
Other income	1,592,092	11,183	12,762	11,451	319	1,556,377
Deductions allocable to ordinary income [4]	2,202,991	142,763	93,154	130,985	115,049	1,721,040
Net capital gains (losses) [5]	3,394,351	-250,084	-297,773	-235,798	-352,951	4,530,958
Total capital gains (losses)	3,652,523	-240,814	-294,000	-226,523	-348,962	4,762,823
Total short-term capital gains (losses)	2,942,004	-241,317	-314,996	-470,064	-468,055	4,436,437
Total long-term capital gains (losses)	710,519	504	20,995	243,541	119,094	326,386
Deductions allocable to capital gains [4]	258,171	9,270	3,772	9,274	3,990	231,865
Net nontaxable income [6]	108,593	11,772	30,403	24,500	22,968	18,951
Total nontaxable income	134,981	15,057	33,315	34,481	27,980	24,148
Tax-exempt interest	110,573	11,296	16,291	31,881	27,713	23,393
Other nontaxable income	24,408	3,761	17,024	2,600	267	756
Deductions allocable to nontaxable income [4]	26,388	3,285	2,912	9,981	5,013	5,197
Total deductions [7]	2,506,034	158,386	99,939	151,445	124,152	1,972,111
Interest	608,317	720	1,071	1,864	3,449	601,213
Taxes	14,100	2,302	2,128	3,130	2,264	4,275
Trustee fee	231,036	64,728	49,032	57,922	36,780	22,574
Attorney, accountant, and return preparer fees	66,680	25,521	12,550	12,931	9,761	5,918
Other allowable deductions	1,585,901	65,115	35,158	75,598	71,899	1,338,131

*Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Calculated as the sum of "net ordinary income" (Form 5227, Part I, Section E, line 24b), "net capital gains (losses)" (line 25b), and "net nontaxable income" (line 26b).

[3] Taken from Form 5227, Part I, Section E, line 24b.

[4] Included in "total deductions" amount given on Form 5227, Part I, Section D, line 22.

[5] Taken from Form 5227, Part I, Section E, line 25b.

[6] Taken from Form 5227, Part I, Section E, line 26b.

[7] Taken from Form 5227, Part I, Section D, line 22.

NOTE: Detail may not add to totals due to rounding.

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Table 5. Charitable Remainder Unitrusts: Accumulation and Distribution Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009

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

Item	Total	Size of end-of-year book value of total assets				
		Under \$500,000 [1]	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
		(1)	(2)	(3)	(4)	(5)
Number of returns	95,928	66,548	15,294	10,378	2,916	792
Total accumulations of income [2]	76,535,528	7,321,098	6,697,569	11,523,965	11,255,675	39,737,222
Net ordinary income	9,271,093	431,825	363,188	714,417	619,177	7,142,486
Net capital gains (losses)	66,662,731	6,819,655	6,235,446	10,631,588	10,491,473	32,484,568
Net nontaxable income	601,705	69,618	98,935	177,960	145,024	110,167
Prior-year undistributed income [3]	69,382,404	7,265,018	6,702,130	11,327,205	11,260,957	32,827,094
Net ordinary income	5,620,912	137,432	100,378	306,358	294,476	4,782,268
Net capital gains (losses)	63,268,379	7,069,739	6,533,219	10,867,386	10,844,425	27,953,611
Net nontaxable income	493,113	57,848	68,533	153,460	122,056	91,216
Current year net income [4]	7,153,125	56,080	-4,560	196,760	-5,282	6,910,127
Net ordinary income	3,650,181	294,393	262,810	408,058	324,701	2,360,219
Net capital gains (losses)	3,394,351	-250,084	-297,773	-235,798	-352,951	4,530,958
Net nontaxable income	108,593	11,772	30,403	24,500	22,968	18,951
Distributions of income [5]	5,613,632	1,004,423	729,652	1,189,695	1,043,720	1,646,142
Net ordinary income	2,045,051	336,098	266,715	432,027	347,058	663,153
Net capital gains (losses)	3,511,096	657,765	451,937	742,487	683,201	975,706
Net nontaxable income	57,485	10,561	11,000	15,181	13,461	7,283
Undistributed at end of year [6]	70,921,895	6,316,673	5,967,918	10,334,270	10,211,955	38,091,080
Net ordinary income	7,226,042	95,726	96,473	282,390	272,120	6,479,333
Net capital gains (losses)	63,151,633	6,161,889	5,783,509	9,889,101	9,808,272	31,508,862
Net nontaxable income	544,220	59,058	87,936	162,779	131,563	102,884

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part II, line 29.

[3] Taken from Form 5227, Part II, line 27.

[4] Taken from Form 5227, Part II, line 28.

[5] Taken from Form 5227, Schedule A, Part I, line 2b.

[6] Taken from Form 5227, Schedule A, Part I, line 3.

NOTE: Detail may not add to totals due to rounding.

Split-Interest Trusts, Filing Year 2009

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Table 6. Charitable Remainder Unitrusts: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009

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

Item	Total	Size of end-of-year book value of total assets				
		Under \$500,000 [1]	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	95,928	66,548	15,294	10,378	2,916	792
Total net assets [2]	96,060,677	11,799,211	10,677,407	16,618,751	14,499,762	42,465,546
Total assets [3]	97,345,279	11,951,242	10,829,255	16,881,469	14,778,595	42,904,719
Cash	1,457,079	250,540	193,805	367,968	316,576	328,190
Savings and temporary cash investments	6,272,621	834,365	906,461	1,341,532	1,240,291	1,949,972
Accounts receivable	134,824	22,885	28,025	30,110	22,589	31,216
Receivables due from officers, directors, trustees, etc.	41,248	1,485	* 2,101	8,089	* 10,892	18,681
Other notes and loans receivable	1,007,184	124,995	143,753	258,996	262,110	217,329
Inventories for sale or use	* 52	0	0	* 52	0	0
Prepaid expenses and deferred charges	8,293	848	* 1,771	4,400	830	445
Total investments	86,542,973	10,363,343	9,183,865	14,436,052	12,543,227	40,016,486
Securities	50,168,727	8,158,819	7,486,442	11,579,943	9,388,998	13,554,525
Government obligations	4,640,086	421,827	643,304	1,097,351	1,089,551	1,388,053
Corporate stock	38,798,487	6,492,419	5,645,935	8,979,602	7,196,411	10,484,120
Corporate bonds	6,730,154	1,244,573	1,197,203	1,502,990	1,103,036	1,682,352
Land, buildings, and equipment	914,942	119,476	135,777	260,857	214,228	184,605
Other investments	35,459,305	2,085,048	1,561,646	2,595,253	2,940,001	26,277,357
Charitable purpose land, buildings, and equipment	281,109	44,347	* 47,125	100,881	* 59,186	29,571
Other assets	1,599,878	308,421	322,346	333,388	322,893	312,831
Total liabilities [4]	1,284,603	152,031	151,848	262,718	278,832	439,173
Accounts payable and accrued expenses	175,802	22,839	25,147	44,013	41,581	42,222
Deferred revenue	26,281	* 4,174	* 650	8,147	* 2,409	10,900
Loans from officers, directors, trustees, etc.	6,424	3,897	* 366	1,129	* 204	827
Mortgages and other notes payable	98,071	* 525	* 5,437	* 11,269	* 42,056	38,783
Other liabilities	978,026	120,594	120,249	198,160	192,581	346,441

*Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part IV, line 59, column (b). This is the excess of total assets over total liabilities. This value may deviate from the calculated value of total assets (line 50, column (b)) less total liabilities (line 56, column (b)) due to taxpayer reporting discrepancies.

[3] Taken from Form 5227, Part IV, line 50, column (b).

[4] Taken from Form 5227, Part IV, line 56, column (b).

NOTE: Detail may not add to totals due to rounding.

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Table 7. Charitable Remainder Unitrusts: End-of-Year Fair Market Value Asset Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009

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

Item	Total	Size of end-of-year book value of total assets				
		Under \$500,000 [1]	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	95,928	66,548	15,294	10,378	2,916	792
Total assets [2]	92,165,720	11,362,431	9,689,991	15,902,358	13,607,517	41,603,422
Cash	1,709,862	262,810	203,532	562,180	308,895	372,445
Savings and temporary cash investments	6,229,897	820,591	879,651	1,331,800	1,248,729	1,949,127
Accounts receivable	130,616	22,463	27,761	29,847	21,583	28,962
Receivables due from officers, directors, trustees, etc.	38,524	1,452	* 54	7,799	* 10,892	18,327
Other notes and loans receivable	952,434	120,245	123,989	250,872	257,487	199,841
Inventories for sale or use	* 37	0	0	* 37	0	0
Prepaid expenses and deferred charges	7,395	* 502	* 1,743	4,173	543	434
Total investments	80,786,240	9,504,713	8,032,872	13,260,752	11,358,025	38,629,878
Securities	47,140,280	7,334,129	6,392,499	10,566,501	8,487,685	14,359,466
Government obligations	4,540,711	398,439	624,364	1,103,147	1,071,485	1,343,277
Corporate stock	36,764,393	5,853,696	4,731,411	8,154,848	6,411,757	11,612,682
Corporate bonds	5,835,176	1,081,994	1,036,725	1,308,507	1,004,443	1,403,507
Land, buildings, and equipment	1,302,109	325,355	237,539	307,354	240,490	191,371
Other investments	32,343,851	1,845,230	1,402,834	2,386,897	2,629,850	24,079,041
Charitable purpose land, buildings, and equipment	526,296	220,071	* 94,346	121,201	59,260	31,418
Other assets	1,784,402	409,572	326,042	333,694	342,104	372,990

*Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Taken from Form 5227, Part IV, line 50.

NOTE: Detail may not add to totals due to rounding.

Split-Interest Trusts, Filing Year 2009

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Table 8. Charitable Lead Trusts: Income, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009

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

Item	Total	Size of end-of-year book value of total assets				
		Under \$500,000 [1]	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
		(1)	(2)	(3)	(4)	(5)
Number of returns	6,626	3,120	1,183	1,362	679	282
Total income [3]	1,196,118	352,865	-21,583	26,791	82,506	755,540
Total ordinary income	1,203,112	401,893	31,100	92,563	150,956	526,601
Interest income	240,583	37,011	7,259	20,086	33,672	142,556
Dividends and business income (loss)	936,970	369,902	21,246	63,764	89,249	392,810
Rents, royalties, partnerships, other estates and trusts, etc.	41,706	15,039	2,214	8,926	26,489	-10,962
Farm income (loss)	* 53	0	0	0	* 53	0
Ordinary gain (loss)	-46,449	* -20,336	* -48	170	-565	-25,670
Other income	30,249	278	* 429	-382	2,058	27,867
Total capital gains (losses)	-46,461	-52,774	-54,599	-68,995	-73,167	203,074
Total short-term capital gains (losses)	-533,456	-49,464	-35,696	-80,273	-108,596	-259,427
Total long-term capital gains (losses)	486,995	-3,309	-18,903	11,277	35,429	462,501
Total nontaxable income	39,467	3,746	1,916	3,223	4,717	25,865
Tax-exempt interest	38,517	3,746	1,497	3,223	4,709	25,342
Other nontaxable income	950	0	* 419	[2]	* 8	523

*Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Value is less than \$500.

[3] Calculated as the sum of "total ordinary income" (Form 5227, Part I, Section A, line 8), "total capital gains (losses)" (Section B, line 13), and "total nontaxable income" (Section C, line 16).

NOTE: Detail may not add to totals due to rounding.

Split-Interest Trusts, Filing Year 2009

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Table 9. Charitable Lead Trusts: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009

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

Item	Total	Size of end-of-year book value of total assets				
		Under \$500,000 [1]	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	6,626	3,120	1,183	1,362	679	282
Total net assets [3]	18,274,043	463,178	844,018	2,286,647	3,521,162	11,159,038
Total assets [4]	18,633,726	499,134	861,755	2,320,442	3,575,610	11,376,785
Cash	429,116	37,632	31,496	46,728	72,635	240,626
Savings and temporary cash investments	1,595,261	56,321	54,094	209,308	358,997	916,541
Accounts receivable	34,810	* 264	* 35	1,220	20,376	12,914
Receivables due from officers, directors, trustees, etc.	* 17,516	0	0	* 6,398	* 505	10,613
Other notes and loans receivable	199,820	* 782	* 14,267	35,592	* 26,517	122,661
Inventories for sale or use	0	0	0	0	0	0
Prepaid expenses and deferred charges	4,306	* 28	* 407	* 275	* 813	2,783
Total investments	15,244,402	395,415	727,172	1,881,364	2,978,297	9,262,154
Securities	7,593,341	293,806	518,665	1,365,609	1,577,545	3,837,716
Government obligations	619,023	19,625	44,727	95,562	139,613	319,496
Corporate stock	6,286,435	241,377	441,118	1,112,177	1,229,933	3,261,830
Corporate bonds	687,883	32,805	32,820	157,870	207,999	256,389
Land, buildings, and equipment	182,174	* 8,146	* 13,795	* 12,378	* 33,688	114,167
Other investments	7,468,887	93,462	194,712	503,377	1,367,064	5,310,271
Charitable purpose land, buildings, and equipment	* 16,134	0	* 5	* 4,692	* 11,413	24
Other assets	1,092,361	8,693	* 34,279	134,864	106,057	808,467
Total liabilities [5]	359,683	35,955	* 17,737	33,796	54,448	217,747
Accounts payable and accrued expenses	78,541	* 1,711	* 116	2,455	* 12,286	61,972
Deferred revenue	[2]	0	0	0	0	[2]
Loans from officers, directors, trustees, etc.	* 3,571	* 2,011	* 67	* 743	0	750
Mortgages and other notes payable	40,007	* 2,607	0	* 4,354	* 1,246	31,800
Other liabilities	237,564	29,626	* 17,554	26,244	40,915	123,225

*Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by trusts filing a final return.

[2] Value is less than \$500.

[3] Taken from Form 5227, Part IV, line 59, column (b). This is the excess of total assets over total liabilities. This value may deviate from the calculated value of total assets (line 50, column (b)) less total liabilities (line 56, column (b)) due to taxpayer reporting discrepancies.

[4] Taken from Form 5227, Part IV, line 50, column (b).

[5] Taken from Form 5227, Part IV, line 56, column (b).

NOTE: Detail may not add to totals due to rounding.

Split-Interest Trusts, Filing Year 2009

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Table 10. Pooled Income Funds: Income, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009

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

Item	Total	Size of end-of-year book value of total assets				
		Under \$500,000 [1]	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
		(1)	(2)	(3)	(4)	(5)
Number of returns		1,415	1,105	* 95	122	69
Total income [3]	40,267	3,315	* 1,739	3,104	9,543	22,567
Total ordinary income	69,855	5,363	* 2,689	9,397	16,854	35,552
Interest income	23,479	1,540	* 854	4,143	9,422	7,519
Dividends and business income (loss)	45,929	3,750	* 1,835	5,211	7,429	27,704
Rents, royalties, partnerships, other estates and trusts, etc.	* 333	0	0	* 7	0	326
Farm income (loss)	0	0	0	0	0	0
Ordinary gain (loss)	0	0	0	0	0	0
Other income	114	72	0	* 36	* 2	3
Total capital gains (losses)	-29,589	-2,048	* -950	-6,293	-7,311	-12,986
Total short-term capital gains (losses)	-15,051	-732	* -70	-1,970	-5,082	-7,198
Total long-term capital gains (losses)	-14,537	-1,317	* -880	-4,323	-2,230	-5,788
Total nontaxable income	* 1	0	0	0	[2]	1
Tax-exempt interest	* 1	0	0	0	[2]	1
Other nontaxable income	0	0	0	0	0	0

*Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero. Often, these zero amounts are explained by funds filing a final return.

[2] Value is less than \$500.

[3] Calculated as the sum of "total ordinary income" (Form 5227, Part I, Section A, line 8), "total capital gains (losses)" (Section B, line 13), and "total nontaxable income" (Section C, line 16).

NOTE: Detail may not add to totals due to rounding.

Split-Interest Trusts, Filing Year 2009

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Table 11. Pooled Income Funds: Book Value Balance Sheet Information, by Size of End-of-Year Book Value of Total Assets, Filing Year 2009

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

Item	Total	Size of end-of-year book value of total assets				
		Under \$500,000 [1]	\$500,000 under \$1,000,000	\$1,000,000 under \$3,000,000	\$3,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns	1,415	1,105	* 95	122	69	25
Total net assets [2]	1,317,783	125,308	* 67,368	198,138	381,393	545,577
Total assets [3]	1,468,871	125,543	* 67,427	199,886	382,356	693,659
Cash	8,341	1,169	* 213	2,022	1,621	3,315
Savings and temporary cash investments	48,625	11,278	* 3,467	13,843	6,476	13,562
Accounts receivable	777	* 6	* 56	* 6	* 10	699
Receivables due from officers, directors, trustees, etc.	0	0	0	0	0	0
Other notes and loans receivable	* 12,343	0	0	* 36	0	12,307
Inventories for sale or use	0	0	0	0	0	0
Prepaid expenses and deferred charges	* 55	0	0	0	* 55	0
Total investments	1,364,472	98,472	* 56,817	179,647	374,194	655,343
Securities	914,681	77,593	* 48,572	152,826	262,222	373,468
Government obligations	143,101	11,183	* 522	14,162	24,285	92,949
Corporate stock	362,512	28,436	* 13,894	49,122	106,423	164,637
Corporate bonds	409,068	37,974	* 34,156	89,542	131,514	115,882
Land, buildings, and equipment	* 28,145	0	0	0	0	28,145
Other investments	421,647	20,879	* 8,245	26,821	111,972	253,730
Charitable purpose land, buildings, and equipment	* 8,259	0	0	0	0	8,259
Other assets	26,000	14,618	* 6,874	* 4,332	0	175
Total liabilities [4]	151,088	* 235	* 60	* 1,748	* 963	148,082
Accounts payable and accrued expenses	3,982	* 39	* 60	* 14	0	3,869
Deferred revenue	* 110,338	0	0	* 1,620	0	108,717
Loans from officers, directors, trustees, etc.	0	0	0	0	0	0
Mortgages and other notes payable	* 32,403	0	0	0	0	32,403
Other liabilities	4,366	* 196	0	* 113	* 963	3,093

*Estimate should be used with caution because of the small number of sample returns on which it is based.

[1] Includes returns that did not report the end-of-year book value of total assets (Form 5227, Part IV, line 50, column (b)) from the balance sheet, or that reported the amount as zero.

Often, these zero amounts are explained by funds filing a final return.

[2] Taken from Form 5227, Part IV, line 59, column (b). This is the excess of total assets over total liabilities. This value may deviate from the calculated value of total assets (line 50, column (b)) less total liabilities (line 56, column (b)) due to taxpayer reporting discrepancies.

[3] Taken from Form 5227, Part IV, line 50, column (b).

[4] Taken from Form 5227, Part IV, line 56, column (b).

NOTE: Detail may not add to totals due to rounding.

Tax-Exempt Bonds, 2008

by Aaron Barnes

State and local governments across the United States and its territories issue tax-exempt bonds to finance essential operations, facilities, infrastructure, and services for their constituents.¹ Tax-exempt bonds issued by State and local governments are classified as either “governmental” or “private activity,” depending on whether the proceeds are used and secured by public or private entities and resources.

The total amount of tax-exempt bonds issued by State and local governments decreased by 9.1 percent between Calendar Years 2007 and 2008, from \$516.7 billion in 2007 to \$469.4 billion in 2008. For 2008, governmental bonds accounted for \$334.4 billion (71.2 percent) of total tax-exempt bond proceeds. Private activity bonds accounted for the remaining \$135.0 billion (28.8 percent).

When a bond is issued, the issuer is obligated to repay the borrowed bond proceeds, at a specified rate of interest, by some future date. For Federal income tax purposes, investors who purchase governmental bonds and certain types of private activity bonds are able to exclude the bond interest from their gross incomes.² This tax exemption lowers the borrowing cost incurred by tax-exempt bond issuers, since holders of tax-exempt bonds are generally willing to accept an interest rate lower than that earned on comparable taxable bonds. The interest exclusion for tax-exempt bonds is not allowed for arbitrage bonds and bonds not in registered form.^{3, 4}

Aaron Barnes is an economist with the Special Studies Special Projects Section. This data release was prepared under the direction of Melissa Ludlum, Chief.

Both governmental and private activity bonds are obligations issued by or on behalf of State and local governmental units; the use of the proceeds differentiates the two. Governmental bond proceeds finance essential government operations, facilities, and services that are for general public use, and the debt service on these bonds is paid from general governmental sources. Private activity bonds are issued by or on behalf of State or local governments for the purpose of financing the project of a private user. Since private activity bond proceeds are used by one or more private entities, the debt service is paid or secured by one or more private entities. Specifically, section 141(a) of the Internal Revenue Code (IRC) provides that the term private activity bond means any bond issued as part of an issue which meets: 1) the private business tests set forth in the IRC section 141(b); or 2) the private loan financing test set forth in IRC section 141(c).⁵ Interest income earned on most private activity bonds is taxable. However, over the years, Congress has deemed certain types of private activities necessary for the public good, and, therefore, interest income earned on “qualified private activity bonds,” as defined in IRC section 141(e), is generally tax-exempt.^{6, 7}

The data presented in this data release are based on the populations of Forms 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*, and Forms 8038-G, *Information Return for Tax-Exempt Governmental Obligations*, filed with the Internal Revenue Service for bonds issued during Calendar Year 2008. The vast majority of these returns were filed in 2008 and 2009 for tax-exempt

¹ The term “State” includes the District of Columbia and any possessions of the United States.

² In addition, for State income tax purposes, most States allow for the exclusion of interest on bonds issued by government agencies within their own States, thus increasing the benefit to the bondholder.

³ An arbitrage bond is one in which any portion of the proceeds is used to purchase higher-yielding investments, or is used to replace proceeds which have been used to purchase higher-yielding investments. Certain rules allow for arbitrage earnings with respect to tax-exempt bonds within a specified time period, as long as these earnings are rebated to the Department of the Treasury.

⁴ A registered bond is defined as: “a bond whose owner is designated on records maintained by a registrar, the ownership of which cannot be transferred without the registrar recording the transfer on its records.” (From the Municipal Securities Rulemaking Board’s Glossary of Municipal Securities Terms <http://www.msrb.org/msrbl/glossary>. See also IRC section 149(a) for additional information).

⁵ The private business tests of IRC section 141(b) define a bond as a private activity bond if both of the following criteria are met: 1) more than 10 percent of the bond proceeds are used for a private business purpose; and, 2) more than 10 percent of the bond debt service is derived from private business use and is secured by privately used property. The private loan financing test of IRC section 141(c) defines a bond as a private activity bond if the amount of the proceeds used to (directly or indirectly) finance loans to nongovernmental persons exceeds the lesser of \$5 million or 5 percent of the proceeds.

⁶ Tax-exempt private activity bonds include “exempt facility bonds,” qualified mortgage bonds, qualified veterans’ mortgage bonds, qualified small issue bonds, qualified student loan bonds, qualified redevelopment bonds, and qualified section 501(c)(3) bonds (all of which are defined in the “Explanation of Terms” section of this article). Examples of exempt facilities include airports; docks and wharves; sewage facilities; solid waste disposal facilities; qualified residential rental projects; and facilities for the local furnishing of electricity or gas. Qualified section 501(c)(3) bonds are issued by State and local governments to finance the activities of charitable and similar organizations that are tax-exempt under IRC section 501(c)(3). The primary beneficiaries of these bonds are hospitals, universities, and organizations that provide low-income housing or assisted-living facilities.

⁷ The interest income from qualified private activity bonds (other than qualified section 501(c)(3) bonds) is considered a tax preference for the alternative minimum tax calculations.

Tax-Exempt Bonds, 2008

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Tax Credit Bonds

Tax credit bonds differ from tax-exempt bonds in that they are not explicitly interest-bearing obligations. In lieu of receiving periodic interest payments from the issuer, a bondholder is generally allowed an annual income tax credit while the bond is outstanding. The amount of the credit is determined by multiplying the bond's credit rate by the face amount on the holder's bond. The credit rate on the bonds is determined by the Secretary of the Treasury and is an estimate of the rate that permits issuance of such bonds without discount and interest cost to the qualified issuer. The credit is includable in the bondholder's gross income (as if it were an interest payment on the bond), and it can be claimed against regular income tax liability and alternative minimum tax liability.

The Taxpayer Relief Act of 1997 created the first type of tax credit bond—the qualified zone academy bond. In 2005, two additional types—clean renewable energy bonds and Gulf tax credit bonds—were created. Since then, various legislation has authorized additional types of tax credit bonds, such as qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, Midwestern tax credit bonds, and qualified school construction bonds.^{1, 2} Issuers of tax credit bonds are required to submit to the IRS information filings similar to those required of tax-exempt bonds issuers.

In 2008, State and local governments issued \$253 million in tax credit bonds.³ This amount included \$248 million in new money long-term tax

Total Tax-Exempt and Tax Credit Bonds, 2008

[Money amounts are in millions of dollars]

Type of bond	Number	Amount
Total [1]	27,833	469,610
Tax-exempt bonds	27,730	469,357
Tax credit bonds [2]	103	253

[1] Includes combined data from all government and private activity bond returns (Forms 8038-G, *Information Return for Tax-Exempt Governmental Obligations Bonds* and Forms 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*). Data contains information for new money and refunding issues, as well as short-term and long term issues.

[2] Includes data from governmental and private activity bond returns (Forms 8038-G and Forms 8038) that specifically reference "qualified zone academy" bonds or "clean renewable energy" bonds.

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

New Money Long-Term Tax Credit Bonds, by Bond Purpose and Size of Entire Issue, 2008

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

Bond purpose	All issues		Size of entire issue					
			Under \$1,000,000 [1]		\$1,000,000 under \$5,000,000		\$5,000,000 or more	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total, tax credit bonds [2]	99	248	36	17	49	94	14	136
Qualified zone academy bonds [3]	71	143	29	13	33	60	9	70
Clean renewable energy bonds [3]	28	105	7	4	16	34	5	66

[1] Form 8038-G. An entire issue of less than \$100,000 are excluded from the study. Issuers of these bonds are instructed to file Forms 8038-GC, *Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales*. Statistics of Income (SOI) does not process data from Forms 8038-GC filed with the Internal Revenue Service.

[2] Includes combined data from all governmental and private activity bond returns (Forms 8038-G and Forms 8038).

[3] Includes data from governmental and private activity bond returns (Forms 8038-G and Forms 8038) that specifically reference "qualified zone academy" bonds or "clean renewable energy" bonds.

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

credit bonds, of which \$143 million were qualified zone academy bonds, and \$105 million were clean renewable energy bonds.

For 2008, new money long-term tax credit bonds had the following distribution by entire issue size: 36.4 percent of all tax credit bond issues were under \$1 million, almost 50.0 percent were in the \$1 million to \$5 million range, and 14.1 percent were in excess

¹ The Food, Conservation, and Energy Act of 2008 created qualified forestry conservation bonds. The Energy Improvement and Extension Act of 2008 produced new clean renewable energy bonds and qualified energy conservation bonds. The Tax Extenders and Alternative Minimum Tax Relief Act of 2008 created Midwestern tax credit bonds.

² Different categories of tax credit bonds vary in terms of the allowable tax credit rate, maturity, and other features. For example, clean renewable energy bonds and qualified zone academy bonds have a 100-percent tax credit subsidy; however, new clean renewable energy bonds and qualified energy conservation bonds have a 70-percent subsidy. Borrowers are likely to issue at a discount or pay taxable interest in addition to the lender receiving a tax credit.

³ Issue Year 2008 data do not include direct payment bonds, such as build America bonds or recovery zone economic development bonds created by the American Recovery and Reinvestment Act of 2009. Additionally, the 2008 data do not contain any data with regard to direct payment tax credit bonds (i.e., qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, and qualified school construction bonds authorized by the Hiring Incentives to Restore Employment Act of 2010).

Tax Credit Bonds—Continued

of \$5 million. However, more than half (\$136 million) of the total \$248 million in tax credit bond proceeds were from bonds with an entire issue size greater than \$5 million.

The five States with the highest dollar issuance of tax credit bonds were California, Florida, Mississippi, Connecticut, and North Carolina. Combined, these States issued \$89 million, or 35.9 percent of all new money long-term tax credit bonds. Florida issued the largest amount of qualified zone academy bonds, accounting for 14.7 percent (\$12 million) of the total. California issued \$32 million in clean renewable energy bonds, nearly 30.5 percent of the total, making it the largest issuer of clean renewable energy bonds.

bonds.⁸ However, for 2008, the issuers of tax-credit bonds were also required to use these forms to report certain information to the IRS. For this reason, the article also includes a separate discussion of tax-credit bonds.

Bond Volume, by Term of Issue

Bonds are classified as either short-term or long-term, depending on the length of time from issuance to maturity. Bonds having maturities of less than 13 months are typically classified as short-term, while those having maturities of 13 months or more are classified as long-term. Governmental bond issues totaled \$334.4 billion in 2008, an 11.8-percent decrease from the \$379.3 billion issued in 2007. Long-term bonds accounted for \$271.7 billion, more than 81.2 percent of all governmental bond proceeds. Long-term bonds are generally used to finance construction or other capital improvement projects.

The remaining \$62.7 billion of governmental bonds were issued for short-term projects. Most short-term governmental bonds are issued in the form of tax anticipation notes (TANs), revenue an-

New Money Long-Term Tax Credit Bonds, by State of Issue and Bond Purpose, 2008

[Money amounts are in millions of dollars]

State	Total tax credit bonds		Qualified zone academy bonds [2]		Clean renewable energy bonds [2]	
	Number (1)	Amount (2)	Number (3)	Amount (4)	Number (5)	Amount (6)
Total, All States	99	248	71	143	28	105
Arkansas	4	1	4	1	0	0
California	12	39	4	7	8	32
Connecticut	3	9	d	d	d	d
Florida	3	21	3	21	0	0
Iowa	3	6	d	d	d	d
Maine	4	2	4	2	0	0
Minnesota	3	5	d	d	d	d
Mississippi	6	12	6	12	0	0
Missouri	3	4	d	d	d	d
North Carolina	5	8	5	8	0	0
Oklahoma	7	4	7	4	0	0
South Dakota	4	1	4	1	0	0
West Virginia	5	4	5	4	0	0
Wisconsin	4	4	4	4	0	0
All other States, combined	33	128	18	66	15	63

d—Data deleted to avoid disclosure of information for specific bonds when compared to other published data.

[1] Includes combined data from all governmental and private activity bond returns (Forms 8038-G and Forms 8038).

[2] Includes data from governmental and private activity bond returns (Forms 8038-G and Forms 8038) that specifically reference "qualified zone academy" bonds or "clean renewable energy" bonds.

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

ticipation notes (RANs), or bond anticipation notes (BANs). TANs and RANs generally mature within 1 year of issuance, at which time the proceeds are paid from specific tax receipts or other revenue sources. The proceeds of a BAN are typically used to pay for startup costs associated with a future, long-term bond-financed project. A renewal BAN can be issued on maturity of an outstanding BAN, until, eventually, the proceeds of the future bond issue are used to pay off, or retire, the outstanding BAN. Combined, TANs, RANs, and BANs comprised 91.5 percent of all short-term governmental bond proceeds for 2008.

Tax-exempt private activity bond issues totaled \$135.0 billion in 2008, a 1.7-percent decrease from the \$137.4 billion issued in 2007. Short-term bonds accounted for almost \$2.2 billion, only 1.6 percent, of the total private activity bond proceeds for 2008.

Long-Term Bond Volume, by Type of Issue

Total bond issuance is composed of both ("new money") nonrefunding issues and refunding issues. The proceeds of new money issues finance new capital projects, while proceeds of refunding issues retire

⁸ Bond issuers were required to file these tax-exempt bond information returns by the 15th day of the second calendar month after the close of the calendar quarter in which the bond was issued. The study includes returns processed from January 1, 2008, to May 2, 2010, for bonds issued in 2008.

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outstanding debt of prior bond issues. A bond issue can include both new and refunding proceeds.

Figures A1 and A2 show total long-term issuance, as well as the split between new money and refunding proceeds, for both governmental and tax-exempt private activity bonds issued between 2004 and 2008. In 2008, 56.6 percent of all long-term governmental bond proceeds were new money issues. New money governmental bond proceeds fell by 23.2 percent to \$153.8 billion, while refunding proceeds grew by approximately 1.5 percent from \$116.1 billion in 2007 to \$117.9 billion in 2008.

In 2008, 39.5 percent of all long-term private activity bond proceeds were new money issues. Between 2007 and 2008, new money private activity bond proceeds fell by 39.4 percent to \$52.5 billion, while refunding proceeds grew by 60.6 percent from \$50.0 billion in 2007 to \$80.3 billion in 2008.

Long-Term Bond Volume, by Selected Purpose

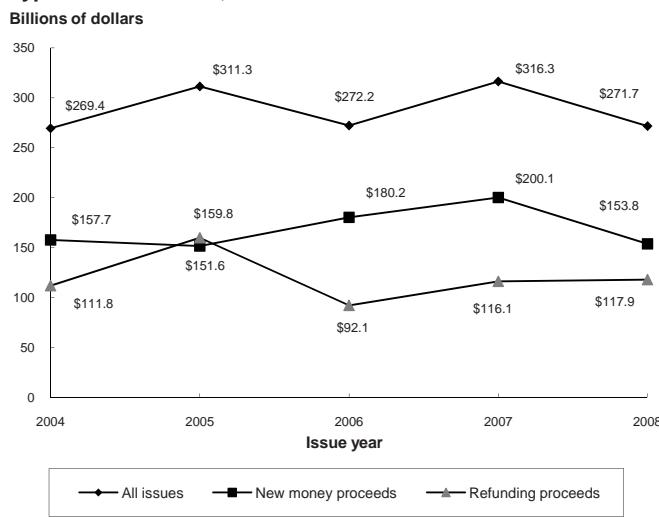
Figures B1 and B2 present the composition of long-term tax-exempt bond proceeds, by selected purpose, as well as type of issue for both governmental and

private activity bond issues. During 2008, nearly two-thirds (61.9 percent) of the total \$271.7 billion of long-term governmental bond proceeds financed education, utilities, and transportation projects. A little more than one-fourth (26.1 percent) of the long-term governmental bond proceeds were allocated for “other bond purposes” (i.e., specific purpose(s) did not apply to specific line items or were not separately allocated by the issuer). For almost all of the governmental bond purposes shown in Figure B1, more proceeds were spent financing new capital projects than were used to refund prior bond issues with the exception of “Utilities” and “Health and Hospitals.”

Qualified section 501(c)(3) bonds, which include total qualified hospital bonds and qualified nonhospital bonds issued to benefit entities exempt from income tax under IRC section 501(c)(3), combined, accounted for 65.0 percent of the \$132.8 billion of long-term private activity bonds issued for 2008. Private activity bonds issued to provide housing assistance in the form of qualified residential rental projects, qualified mortgages, and qualified veterans’ mortgage bonds accounted for another 13.3 percent of total proceeds.⁹

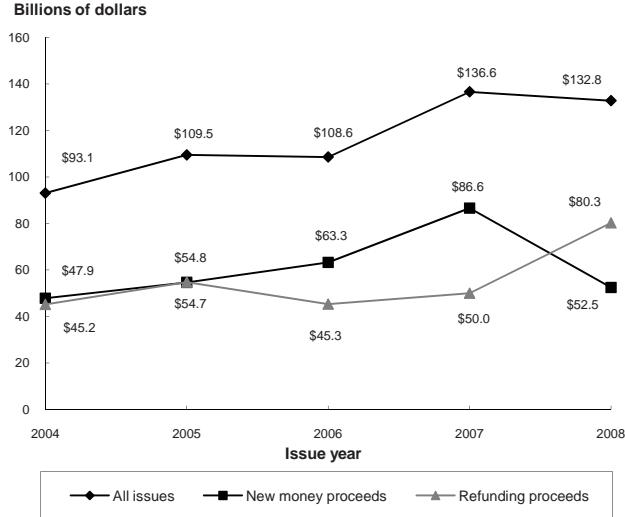
Figures A1

Long-Term Governmental Bonds Issued, by Type and Issue Year, 2004-2008



Figures A2

Long-Term Private Activity Bonds Issued, by Type and Issue Year, 2004-2008



⁹ This figure does not include the relatively small amount of proceeds issued for qualified veterans’ mortgage bonds and Gulf Opportunity Zone mortgage bonds, which are excluded to avoid disclosure of information about specific bonds.

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Figure B1

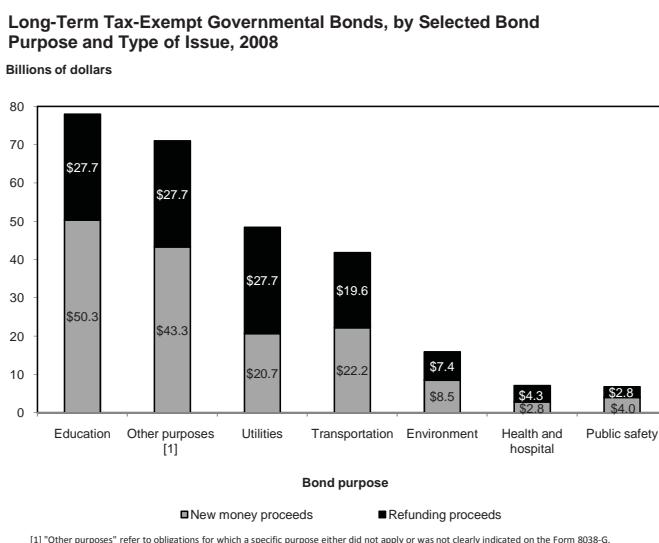
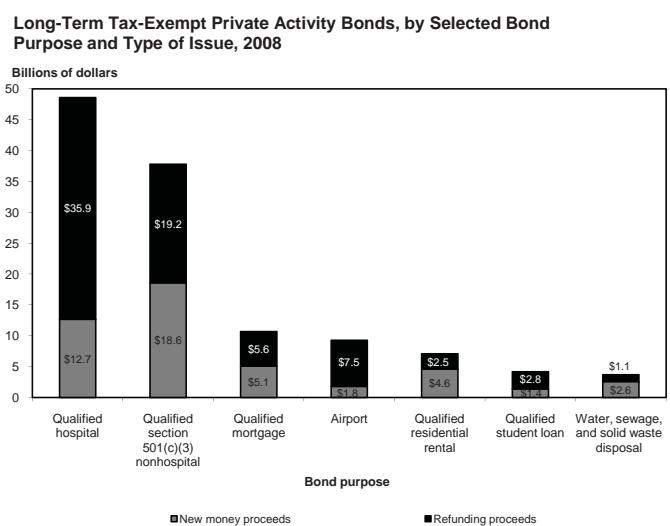


Figure B2



Overview of Bond Issues, by State

Total new money long-term governmental bond volume decreased \$46.4 billion (23.2 percent) from 2007 to 2008. California experienced the largest absolute decrease (48.5 percent) in new money long-term governmental bond issues, from slightly more than \$30.9 billion in 2007 to \$15.9 billion in 2008. States with significant decreases in new money long-term governmental bond issues from 2007 to 2008 included Ohio, whose issuance fell 58.1 percent, from \$8.6 billion in 2007 to \$3.6 billion in 2008; Georgia, whose issuance decreased by 33.4 percent, from \$7.2 billion in 2007 to \$4.8 billion in 2008; and North Carolina, whose issuance fell 30.3 percent, from approximately \$5.4 billion in 2007 to \$3.8 billion in 2008. In all, 35 States reduced the amount of new money long-term governmental bonds issued from 2007 to 2008, by \$53.6 billion.

New York experienced the largest absolute increase (24.0 percent) in new money long-term governmental bond issues, from slightly more than \$12.3 billion in 2007 to \$15.3 billion in 2008. Maryland also experienced a significant increase (23.2 percent) in new long-term governmental bond issues from \$3.2 billion in 2007 to \$3.9 billion in 2008. In all, 17

States increased the amount of new money long-term governmental bonds issued from 2007 to 2008, by nearly \$7.4 billion.

Figures C1 and C2 present the amount of bonds issued for the top 15 States, in terms of total dollar volume of new money long-term tax-exempt bonds issued for 2008, for both governmental and private activity bond issuances. Combined, the top 15 States accounted for 72.2 percent of the total \$153.8 billion of new money long-term governmental bond issues for the year. About \$69.2 billion (45.0 percent) of the total were issued by authorities in the following five States: Texas (14.0 percent), California (10.4 percent), New York (10.0 percent), Florida (6.9 percent), and Illinois (3.8 percent). According to 2008 Census estimates, together, these five States accounted for almost 36.7 percent of the total U.S. population.¹⁰

An examination of issuance by State reveals some differences in the allocation of proceeds by bond purpose. Overall, for 2008, 32.7 percent of the \$153.8 billion of new money long-term governmental bonds was issued for educational purposes. However, of the total amount of new money long-term bonds issued in Texas, 50.8 percent was issued

¹⁰ The resident population estimates for July 1, 2008, were produced by the U.S. Bureau of the Census and are available at <http://www.census.gov/popest/states/NST-ann-est.html>.

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Figure C1

New Money Long-Term Governmental Bonds, by Selected Bond Purpose, for Top 15 States, Ranked by Total Governmental Bond Issuance, 2008

[Money amounts are in millions of dollars]

State of issue	Total	Selected bond purpose									
		Education		Other purposes [1]		Transportation		Utilities		Environment	
	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total, All States	153,771	50,313	32.7	43,281	28.1	22,208	14.4	20,722	13.5	8,509	5.5
Texas	21,593	10,962	50.8	3,022	14.0	3,656	16.9	2,882	13.3	215	1.0
California	15,918	5,510	34.6	5,331	33.5	1,098	6.9	2,706	17.0	546	3.4
New York	15,310	4,392	28.7	5,492	35.9	3,012	19.7	993	6.5	204	1.3
Florida	10,594	2,725	25.7	4,455	42.1	732	6.9	1,765	16.7	666	6.3
Illinois	5,770	1,847	32.0	1,240	21.5	1,659	28.8	603	10.5	252	4.4
Arizona	5,688	1,755	30.9	1,285	22.6	858	15.1	833	14.6	d	d
Pennsylvania	5,171	1,933	37.4	958	18.5	1,291	25.0	51	1.0	585	11.3
Georgia	4,813	1,282	26.6	689	14.3	791	16.4	925	19.2	797	16.6
Washington	4,390	741	16.9	1,531	34.9	949	21.6	954	21.7	19	0.4
Virginia	4,199	1,359	32.4	1,381	32.9	190	4.5	238	5.7	587	14.0
Maryland	3,891	1,231	31.6	244	6.3	1,632	41.9	221	5.7	368	9.5
North Carolina	3,767	1,269	33.7	883	23.4	120	3.2	881	23.4	111	2.9
Ohio	3,597	574	16.0	776	21.6	644	17.9	982	27.3	525	14.6
New Jersey	3,365	1,022	30.4	608	18.1	1,444	42.9	117	3.5	112	3.3
Minnesota	2,981	879	29.5	1,279	42.9	179	6.0	249	8.4	150	5.0

Figure C2

New Money Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose, for Top 15 States, Ranked by Total Tax-Exempt Private Activity Bond Issuance, 2008

[Money amounts are in millions of dollars]

State of issue	Total	Selected bond purpose									
		Qualified section 501(c)(3) nonhospital			Qualified hospital		Qualified mortgage		Qualified residential rental		All other bonds, combined [2]
	Amount	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total, All States	52,488	18,600	35.4	12,743	24.3	5,076	9.7	4,573	8.7	4,150	7.9
California	5,488	1,786	32.5	553	10.1	639	11.6	1,158	21.1	0	0.0
New York	5,398	2,654	49.2	612	11.3	291	5.4	1,031	19.1	368	6.8
Pennsylvania	3,030	1,718	56.7	567	18.7	d	d	d	d	0	0.0
Louisiana	2,453	94	3.8	d	d	d	d	35	1.4	2,093	85.3
Massachusetts	2,408	1,414	58.7	552	22.9	160	6.6	98	4.1	d	d
Texas	2,212	920	41.6	224	10.1	0	0.0	143	6.5	d	d
Ohio	2,197	360	16.4	1,246	56.7	357	16.2	73	3.3	0	0.0
New Jersey	2,089	622	29.8	567	27.1	d	d	d	d	d	d
Florida	2,058	878	42.7	194	9.4	d	d	195	9.5	0	0.0
Illinois	1,902	448	23.6	1,161	61.0	0	0.0	156	8.2	0	0.0
Virginia	1,726	358	20.7	485	28.1	d	d	79	4.6	d	d
Missouri	1,638	404	24.7	832	50.8	d	d	d	d	d	d
Georgia	1,530	956	62.5	379	24.8	d	d	88	5.8	0	0.0
Maryland	1,269	613	48.3	392	30.9	113	8.9	113	8.9	0	0.0
Minnesota	1,069	430	40.2	477	44.6	d	d	42	3.9	d	d

d - Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] For purposes of this figure, "other purposes" refers to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G. It does not include specific purposes, such as public safety and housing, that are not shown separately in the figure. See Table 1.

[2] For purposes of this figure, certain bond purposes were combined. For this reason, data in this figure will differ slightly from the data in Tables 8 and 9.

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

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for education. In contrast, 28.7 percent of long-term governmental bonds issued in New York and 16.0 percent in Ohio were for the same purpose.

Transportation projects accounted for 14.4 percent of States' total new money long-term proceeds. In New Jersey, however, 42.9 percent of the total new money long-term governmental bond proceeds were for transportation, while in North Carolina, only 3.2 percent was allocated for the same purpose. Transportation bonds accounted for only 4.5 percent of Virginia's total amount of new money long-term bond issues.

Pennsylvania allocated 1.0 percent of its total amount of new money long-term bonds to utility projects, considerably less than the U.S. total (13.5 percent). In contrast, Ohio and North Carolina each spent a large portion of their total allocation on utility projects—27.3 percent and 23.4 percent, respectively.

Total new money long-term tax-exempt private activity bond volume decreased by \$34.1 billion (39.4 percent) from 2007 to 2008. California experienced the largest absolute decrease in new money long-term tax-exempt private activity bond issuance, from \$10.5 billion in 2007 to approximately \$5.5 billion in 2008. States with significant relative decreases in new money long-term tax-exempt private activity bonds from 2007 to 2008 included Texas, whose issuance fell 47.9 percent, from \$5.1 billion in 2007 to \$2.2 billion in 2008; New York, whose issuance fell 34.1 percent, from \$8.2 billion in 2007 to \$5.4 billion in 2008; and Illinois, whose issuance fell 49.7 percent, from \$3.8 billion in 2007 to \$1.9 billion in 2008. For the 45 States that reduced their issuance of new money long-term tax-exempt private activity bonds in 2008, the overall reduction totaled \$35.6 billion.

New Jersey experienced the largest relative increase (25.3 percent) in new money long-term tax-exempt private activity bond issues, from nearly \$1.7 billion in 2007 to \$2.1 billion in 2008. States with significant increases in new money long-term tax-exempt private activity bond issues from 2007 to 2008 included Missouri, whose issuance increased 17.4 percent, from \$1.4 billion in 2007 to \$1.6 billion in 2008; and Virginia, whose issuance increased 6.9 percent from \$1.6 billion in 2007 to \$1.7 billion in 2008. In all, six States increased their issuance of new money long-term tax-exempt private activity bonds from 2007 to 2008, by \$1.1 billion.

Combined, the top 15 States accounted for 69.5 percent of the total \$52.5 billion of new money long-term tax-exempt private activity bond issues for the year. Almost \$18.8 billion (35.8 percent of the total) was issued by authorities in the following five States: California (10.5 percent), New York (10.3 percent), Pennsylvania (5.8 percent), Louisiana (4.7 percent), and Massachusetts (4.6 percent). According to 2008 Census estimates, together, these five States accounted for almost 26.2 percent of the total U.S. population.

Similar to governmental bond issuance, there were differences in the composition of total new money long-term tax-exempt private activity bond issuance, by purpose, among the States. Examining the bond allocations by purpose for 2008, overall, 35.4 percent of the amount of new money long-term private activity bonds was issued for qualified IRC section 501(c)(3) nonhospital organizations. Another 24.3 percent was issued for qualified hospital bonds.

Of the total amount of new money long-term tax-exempt private activity bonds issued in Georgia, 62.5 percent was issued for IRC section 501(c)(3) nonhospital organizations, compared to 16.4 percent in Ohio and 3.8 percent in Louisiana for the same purpose. Qualified hospital bonds accounted for 61.0 percent of Illinois' new money long-term tax-exempt private activity bond issues, compared to 10.1 percent in both California and Texas. Of the top 15 States, Florida had the lowest total issuance for qualified hospitals in both dollar amount (\$194 million) and percent (9.4 percent) of its State total.

Qualified mortgage bonds accounted for 9.7 percent of all new money long-term tax-exempt private activity bonds issued in 2008, totaling almost \$5.1 billion. Ohio committed 16.2 percent of its total new money long-term private activity bond issuance toward qualified mortgages; in contrast, Texas and Illinois issued no new money long-term qualified mortgage bonds.

Together, States allocated only 8.7 percent of the \$52.5 billion of new money long-term tax-exempt private activity bonds in 2008 for qualified residential rental projects. However, both California and New York directed a much larger share of their total new money long-term proceeds to this purpose, 21.1 percent and 19.1 percent, respectively.

Tax-exempt private activity bonds are subject to State volume limitations, or volume caps. Most

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types of private activity bonds are subject to the unified State volume cap, which limits the aggregate dollar amount of bonds that each State can issue annually. For each of the qualified issue types subject to the unified volume cap, there is no specific limit on the dollar amount of issuance; rather, each State must allocate issuance authority in such a way that the combined issuance does not exceed the annual volume cap. The unified State volume cap is adjusted annually for population growth and is also indexed for inflation.¹¹ Other types of private activity bonds are subject to separate volume limitations based on the specific bond purpose, or types of projects being financed. Refunding bonds are not subject to volume cap limitations, as long as there is no increase in the principal amount of the outstanding bond. Issuers can elect to carry forward unused volume cap for a specified bond purpose, and bonds issued with respect to the specified bond purpose during the following 3 calendar years are not subject to the volume cap.

Figure D shows the total amount of new money long-term tax-exempt private activity bond issuance, new issues subject to the unified State volume cap, amounts applied from prior-year carryforward elections, and volume cap allocations, by State, for 2008. States issued \$14.9 billion of new money private activity bonds that were subject to unified State volume cap. States elected to apply a total of \$6.1 billion of volume cap carried forward from previous years. Each of the States used some amount of carryforward in 2008. Total current-year volume cap allocation for all States was \$28.8 billion. None of the States exhausted its current-year volume cap allocation, and, therefore, will have amounts to carry forward to future years.

Unlike private activity bonds, governmental bonds are generally not subject to the volume cap; however, if more than \$15 million of the proceeds of an issue are used in private use or disproportionate use, then the amount in excess of \$15 million is subject to the volume cap, and the issuer is required to report the amount of the State volume cap allocated to the governmental issue.^{12, 13} For 2008, issuers re-

ported allocating a combined \$38.4 million of State volume cap to the total \$334.4 billion of governmental bond issues. This indicates some private business involvement, but not in an amount sufficient to satisfy the 10-percent private activity use criteria for each governmental bond issue.

Summary

More than 24,000 tax-exempt governmental bonds were issued in 2008, raising \$334.4 billion in proceeds for public projects such as schools, transportation infrastructure, and utilities. Of the \$271.7 billion of long-term governmental bonds issued, \$153.8 billion of proceeds were used to finance new projects, while the remaining \$117.9 billion of proceeds refunded prior governmental bond issues. In addition, more than 3,400 tax-exempt private activity bonds were issued in 2008, for a total \$135.0 billion in proceeds. These tax-exempt private activity bond proceeds financed qualified private facilities (such as residential rental facilities, single family housing, and airports), as well the facilities of Internal Revenue Code section 501(c)(3) organizations (such as hospitals and private universities). Of the \$132.8 billion of long-term private activity bonds issued, \$52.5 billion of proceeds were used to finance new projects, while the remaining \$80.3 billion of proceeds refunded prior tax-exempt private activity bond issues.

Data Sources and Limitations

The data presented in this article are based on the populations of Forms 8038 and Forms 8038-G filed with the Internal Revenue Service for bonds issued during Calendar Year 2008. The data exclude returns filed for commercial paper transactions, as well as issues that are loans from the proceeds of another tax-exempt bond issue (pooled financings). Additionally, except where specifically mentioned, the data exclude returns filed for tax credit bonds, which are treated separately for the purpose of this article.

Bond issuers were required to file these tax-exempt bond information returns by the 15th day of the second calendar month after the close of the calendar

¹¹ For 2008, the volume cap was the greater of \$85 per capita or \$262,095,000. Volume caps for U.S. possessions, with the exception of Puerto Rico, are determined under IRC section 146(d)(4).

¹² Disproportionate use occurs when the proceeds to be used for the private business use exceed the amount of proceeds used for the related governmental use.

¹³ IRC section 141(b)(5) states that a governmental bond will be treated as a private activity bond if: (1) the "nonqualified amount" exceeds \$15 million, but is less than the amount needed to meet any of the private activity bond tests; and (b) the issuer does not allocate a portion of its volume cap to the issue in an amount equal to the excess of such nonqualified amount greater than \$15 million.

Figure D**New Money Long-Term Tax-Exempt Private Activity Bonds, Carryforward, and Volume Cap, by State of Issue, 2008**

[Money amounts are in millions of dollars]

State of issue	Total amount of bonds issued	Amount subject to the unified State volume cap [1]	Amount not subject to the volume cap under a carryforward election [2]	Total volume cap allocation [3]
				(1)
Total, All States	52,487.5	14,907.3	6,052.0	28,843.3
Alabama	768.1	202.6	164.0	393.4
Alaska	191.8	d	d	262.1
Arizona	1,044.8	146.0	d	538.8
Arkansas	165.2	50.4	d	262.1
California	5,487.9	2,361.9	942.2	3,107.0
Colorado	826.6	137.0	d	413.2
Connecticut	610.8	199.0	d	297.7
Delaware	161.3	115.2	d	262.1
District of Columbia	726.3	65.3	60.2	262.1
Florida	2,058.2	602.4	530.9	1,551.4
Georgia	1,530.3	189.3	103.1	811.3
Hawaii	d	d	d	d
Idaho	370.3	175.4	133.8	262.1
Illinois	1,902.0	283.8	175.3	1,092.5
Indiana	903.5	365.2	d	539.3
Iowa	475.9	90.1	d	262.1
Kansas	215.6	91.6	d	262.1
Kentucky	803.7	253.9	d	360.5
Louisiana	2,452.7	227.0	92.6	364.9
Maine	253.1	137.0	126.8	262.1
Maryland	1,269.4	264.1	204.8	477.6
Massachusetts	2,408.1	442.2	d	548.2
Michigan	630.8	144.7	d	856.1
Minnesota	1,069.3	161.3	d	441.8
Mississippi	629.1	69.0	d	262.1
Missouri	1,637.7	398.7	d	499.7

Footnotes at end of figure.

quarter in which the bond was issued. However, in an effort to include as many applicable returns for a particular issue year as possible, the study period extended well beyond this timeframe. The study includes returns processed from January 1, 2008, to May 2, 2010, for bonds issued in 2008. Where possible, data from amended returns filed and processed before the cutoff date were included. Late-filed returns for tax-exempt bonds issued during 2008 processed after the cutoff date were not included in the statistics.

During statistical processing, returns were subject to thorough testing and correction procedures to ensure data accuracy and validity. Additional checks were conducted to identify and exclude duplicate returns. Wherever possible, returns with incomplete information, mathematical errors, or other reporting

anomalies were edited to resolve internal inconsistencies. However, in other cases, it was not possible to reconcile reporting discrepancies. Thus, some reporting and processing error may remain.

Explanation of Selected Terms

Commercial paper—Commercial paper consists of short-term notes that are continually rolled-over. Maturities average about 30 days but can extend up to 270 days. Many localities use commercial paper to raise cash needed for current transactions.

Enterprise Zone facility bond—Established by the passage of the Revenue Reconciliation Act of 1993, this type of exempt facility bond may be issued for certain businesses in “empowerment zones” or “enterprise communities.” Empowerment Zone and Enterprise Community designations are made by the

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Figure D—Continued

New Money Long-Term Tax-Exempt Private Activity Bonds, Carryforward, and Volume Cap, by State of Issue, 2008—Continued

[Money amounts are in millions of dollars]

State of issue	Total amount of bonds issued	Amount subject to the unified State volume cap [1]	Amount not subject to the volume cap under a carryforward election [2]	Total volume cap allocation [3]
		(1)	(2)	
Montana	538.5	360.8	208.1	256.2
Nebraska	657.4	566.7	500.0	256.2
Nevada	815.9	302.4	135.9	256.2
New Hampshire	554.4	265.7	83.1	256.2
New Jersey	1,666.7	730.3	796.3	741.6
New Mexico	323.2	278.5	63.6	256.2
New York	8,192.6	2,020.0	645.5	1,641.0
North Carolina	1,434.6	826.0	359.0	752.8
North Dakota	440.9	362.7	305.2	256.2
Ohio	2,638.3	942.3	330.5	975.6
Oklahoma	461.4	298.6	33.0	304.2
Oregon	656.6	226.0	161.8	314.6
Pennsylvania	4,533.4	1,283.7	508.8	1,057.5
Rhode Island	357.1	262.2	262.6	256.2
South Carolina	862.5	383.0	48.3	367.3
South Dakota	386.5	290.5	240.7	256.2
Tennessee	1,787.3	1,260.5	1,036.6	513.3
Texas	5,079.1	1,848.0	264.3	1,998.2
Utah	602.1	292.4	112.8	256.2
Vermont	349.9	274.6	27.6	256.2
Virginia	1,614.2	789.1	561.4	649.6
Washington	2,380.2	761.4	128.3	543.6
West Virginia	400.3	248.1	196.8	256.2
Wisconsin	1,190.7	526.1	275.5	472.3
Wyoming	315.7	306.7	215.7	256.2
U.S. Possessions [4]	d	d	d	d

d—Data deleted to avoid disclosure of information for specific bonds when compared to other published data. However, the data are included in the appropriate totals.

[1] These calculations are based on the data reported on Part II of Form 8038, for type of issue, and include the following: mass commuting facilities, water furnishing facilities, sewage facilities, solid waste disposal facilities, qualified residential rental projects, local electric energy or gas furnishing facilities, local district heating and cooling facilities, qualified hazardous waste facilities, high-speed intercity rail facilities, qualified mortgage bonds, qualified small issue bonds, qualified student loan bonds, and qualified redevelopment bonds.

No distinction was made for governmentally-owned solid waste or high-speed intercity rail facilities (which are not subject to the volume cap). As a result, figures could be slightly [2] As reported on Form 8038, line 44b. An issuing authority can elect to carry forward its unused volume cap for one or more carryforward purposes (see IRC section 146(f)). If the election is made, bonds issued with respect to a specified carryforward purpose are not subject to the volume cap under IRC section 146(a) during the 3 calendar years following the calendar year in which the carryforward arose, but only to the extent that the amount of such bonds does not exceed the amount of the carryforward elected for that purpose.

[3] The volume cap amount was calculated based on State population estimates produced by the U.S. Bureau of the Census and published in Internal Revenue Bulletin Number 2008-8 (Notice 2008-22). For 2008, the volume cap was the greater of \$85 per capita or \$262.1 million.

[4] U.S. possessions include Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands.

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

Secretaries of Agriculture and Housing and Urban Development and last for a 10-year period. The Taxpayer Relief Act of 1997 provided certain economically depressed census tracts within the District of Columbia designation as the “District of Columbia Enterprise Zone.” Qualified enterprise zone facility bonds are generally subject to the same rules as exempt facility bonds.

Exempt facility bond—Bond issue of which 95 percent or more of the net proceeds is used to finance a tax-exempt facility (as listed in IRC sections 142(a) (1) through (15) and 142(k)). These facilities include

airports, docks and wharves, mass commuting facilities, facilities for the furnishing of water, sewage facilities, solid waste disposal facilities, qualified residential rental projects, facilities for the local furnishing of electric energy or gas, local district heating or cooling facilities, qualified hazardous waste facilities, high-speed intercity rail facilities, environmental enhancements of hydroelectric generating facilities, and qualified public educational facilities.

Governmental bond—Any obligation issued by a State or local government unit that is not a private activity bond (see below). The interest on a govern-

mental bond is excluded from gross income under IRC section 103.

Gulf Opportunity Zone bond—The Gulf Opportunity Zone Act of 2005, signed into law as Public Law 109-135 on December 21, 2005, authorized a new category of tax-exempt bonds. The proceeds of such bonds are used to finance the construction and rehabilitation of certain residential and nonresidential property located in certain localities in Alabama, Louisiana, and Mississippi, designated as the “Gulf Opportunity Zone.” This area constitutes the portion of the Hurricane Katrina disaster area determined by the President to warrant individual or individual and public assistance from the Federal government, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

IRC section 1400N(a)(2) defines a qualified Gulf Opportunity Zone Bond as any bond issued as part of an issue if it meets the following requirements: (1) 95 percent or more of the net proceeds is to be used for qualified project costs, or such issue meets the requirements of a qualified mortgage issue, except as otherwise provided in IRC section 1400N(a); (2) such bond is issued by the State of Alabama, Louisiana, or Mississippi or any political subdivision thereof; (3) such bond is designated for purposes of IRC section 1400N(a) either by the Governor, or approved bond commission, of such State; (4) the bond is issued after December 21, 2005, and before January 1, 2011; and (5) no portion of the proceeds of such issue is to be used to provide any property described in IRC section 144(c)(6)(B).

Gulf Opportunity Zone bonds that meet the general requirements of a qualified mortgage bond issue, and the proceeds of such bond issues that finance residences located in the Gulf Opportunity Zone, shall be treated as qualified mortgage bonds (“Gulf Opportunity Zone Mortgage Bonds”), as described in IRC section 1400N(a)(2)(A)(ii). The Act also authorized the issuance of “Gulf Opportunity Zone Advance Refunding Bonds,” which allow for an additional advance refunding for certain bonds, issued by the States of Alabama, Louisiana, or Mississippi (or any political subdivision thereof), and outstanding on August 28, 2005. This provision was effective for bonds issued between December 21, 2005, and January 1, 2011. (See Internal Revenue Service Notice 2006-41, *Internal Revenue Bulletin* 2006-18, for additional information.)

New York Liberty Zone bonds—The Job Creation and Worker Assistance Act of 2002 created Section 1400L of the Internal Revenue Code of 1986 to provide various tax benefits for the area of New York City damaged or affected by the terrorist attack on September 11, 2001. IRC section 1400L(d) authorizes the issuance of an additional type of exempt facility bond, namely, “Liberty Bonds.” Liberty Bonds are subject to the following additional requirements: (1) 95 percent or more of the net proceeds of such issue must be used for qualified project costs; (2) the bond must be issued by the State of New York or any political subdivision thereof; (3) the Governor of the State of New York or the Mayor of the City of New York must designate the bond for purposes of section 1400L(d); and (4) the bond must be issued after March 9, 2002, and before January 1, 2005. The maximum aggregate face amount of bonds that may be designated as Liberty Bonds is \$8 billion.

Nongovernmental output property bond—Bonds used to finance the acquisition of property used by a nongovernmental entity in connection with an output facility (such as an electric or gas power project). This bond must meet additional tests under IRC section 141(d).

Pooled financing—An arrangement whereby a portion of the proceeds of a governmental bond issue is used to make loans to other governmental units.

Private activity bond—Bond issue of which more than 10 percent of the proceeds is used for any private business use, and more than 10 percent of the payment of the principal or interest is either secured by an interest in property to be used for private business use (or payment for such property), or is derived from payments for property (or borrowed money) used for a private business use. A bond is also considered a private activity bond if the amount of the proceeds used to make or finance loans (other than loans described in IRC section 141(c)(2)) to persons other than governmental units exceeds the lesser of 5 percent of the proceeds or \$5 million.

Qualified green building and sustainable design project—Bond issue of which 95 percent or more of the net proceeds is used to finance qualified green building and sustainable design projects, as designated by the Secretary of the Treasury, after consultation with the Administrator of the Environmental Protection Agency. The project must be nominated by a State or local government, and the issuer must

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submit a detailed application to the Treasury Department for consideration, and, on approval, allocation of a specified issuance amount. Section 701 of the American Jobs Creation Act of 2004 added IRC sections 142(a)(14) and 142(l), authorizing up to \$2 billion of tax-exempt private activity bonds, not subject to the unified volume cap, for qualified green building and sustainable design projects, to be issued between December 31, 2004, and October 1, 2009. (See Internal Revenue Service Notice 2006-41, *Internal Revenue Bulletin* 2006-18, for additional information.)

Qualified highway or surface transfer freight facility bond—Bond issue of which 95 percent or more of the net proceeds is used to provide qualified highway or surface freight transfer facilities. Section 11143 of the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAF-ETEA-LU) Public Law 109-59, signed into law on August 10, 2005, added IRC sections 142(a)(15) and 142(m). Section 142(m)(1) defines the term “qualified highway or surface freight transfer facilities” as: (a) any surface transportation project that receives Federal assistance under title 23, United States Code (as in effect on August 10, 2005); (b) any project for an international bridge or tunnel for which an international entity authorized under Federal or State law is responsible and that receives Federal assistance under title 23, United States Code (as so in effect); or, (c) any facility for the transfer of freight from truck to rail or rail to truck (including any temporary storage facilities directly related to such transfers) that receives Federal assistance under either title 23 or title 49, United States Code (as so in effect). This legislation authorized issuance of up to \$15 billion of such bonds, not subject to the unified volume cap, applicable to bonds issued after August 10, 2005. Allocation of the \$15-billion national limitation is under the jurisdiction of the Department of Transportation. (See Internal Revenue Service Notice 2006-45, *Internal Revenue Bulletin* 2006-20, for additional information.)

Qualified mortgage bond—Bond issue of which the proceeds (except issuance costs and reasonably required reserves) are used to provide financing assistance for single-family residential property, and which meets the additional requirements in IRC section 143. Bond proceeds can be applied toward the purchase, improvement, or rehabilitation of owner-

occupied residences, as well as to finance qualified home-improvement loans.

Qualified public educational facility bond—Bond issue of which 95 percent or more of the net proceeds is used to provide qualified public educational facilities, defined by IRC section 142(k)(1) as any school facility that is: (a) part of a public elementary or secondary school; and (b) is owned by a private, for-profit corporation under a public-private partnership agreement with a State or local educational agency. Under a “public-private partnership agreement,” the corporation agrees to construct, rehabilitate, refurbish, or equip a school facility and, at the end of the term of the agreement, to transfer the school facility to the State or local educational agency for no additional consideration. Such bonds are not subject to the unified volume cap; rather, the annual State limit is equal to the lesser of \$10 per resident or \$5 million.

Qualified redevelopment bond—Bond issue of which 95 percent or more of the net proceeds is used to finance certain specified real property acquisition and redevelopment in blighted areas (see IRC section 144(c) for additional requirements).

Qualified section 501(c)(3) bond—Bonds issued by State and local governments to finance the activities of charitable organizations that are tax exempt under IRC section 501(c)(3). A bond must meet the following conditions to be classified as a section 501(c)(3) bond: 1) all property financed by the net proceeds of the bond issue is to be owned by a section 501(c)(3) organization or a governmental unit; and 2) the bond would not be a private activity bond if section 501(c)(3) organizations were treated as governmental units with respect to their activities that are not related trades or businesses, and the private activity bond definition was applied using a 5-percent threshold rather than a 10-percent threshold. The primary beneficiaries of these bonds are private, nonprofit hospitals, colleges, and universities. A qualified hospital bond issue is one in which 95 percent or more of the net proceeds is to be used for a hospital.

Qualified small issue bond—Bond issue generally not exceeding \$1 million, and of which 95 percent or more of the net proceeds is used to finance the acquisition of land and depreciable property or to refund such issues. In certain instances, an election to take certain capital expenditures into account

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can increase the limit on bond size, from \$1 million to \$10 million. These bonds may only be used to finance manufacturing facilities and to benefit certain first-time farmers.

Qualified student loan bond—Bond issue of which 90 percent or more of the net proceeds is used to make or finance student loans under a program of general application subject to the Higher Education Act of 1965 (see IRC section 144(b)(1)(A) for additional requirements), or of which 95 percent or more of the net proceeds is used to make or finance student loans under a program of general application approved by the State (see Code section 144(b)(1)(B) for additional requirements).

Qualified veterans' mortgage bond—In general, a bond issue of which 95 percent or more of the net proceeds is used to finance the purchase, improvement, or rehabilitation of owner-occupied residences for veterans who: 1) served prior to January 1, 1977; and, 2) applied for such a mortgage prior to the date

30 years after leaving active service or January 31, 1985, whichever is later. The payment of interest and principal must be secured by a general obligation of the State, and the bond must meet certain of the requirements of IRC section 143. The issuance of qualified veterans' mortgage bonds was limited to the following five states: Alaska, California, Oregon, Texas, and Wisconsin, each of which had a veterans' mortgage bond program in effect prior to June 22, 1984.

Tax Reform Act transition property bond—A bond issued under transitional rules contained in the Tax Reform Act of 1986. Proceeds from bonds issued under these rules include issues used to fund such items as pollution control facilities, parking facilities, industrial parks, sports stadiums, and convention facilities. Proceeds from other bonds issued under the transitional rules are included in this category only if they could not be identified as another issue type.

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Table 1. Tax-Exempt Governmental Bonds, by

Type and Term of Issue, 2008

[Money amounts are in millions of dollars]

Type and term of issue	Number	Amount
All issues, total [1]	24,275	334,373
Short-term	6,780	62,688
Long-term	17,495	271,685
New money issues, total	19,754	206,027
Short-term	5,070	52,256
Long-term	14,684	153,771
Refunding issues, total	6,535	128,346
Short-term	2,375	10,432
Long-term	4,160	117,914

[1] A given bond issue can include both new money and refunding proceeds. Thus, the number of new money issues plus the number of refunding issues will sometimes exceed the total number of issues. However, the money amounts add to the totals.

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

Table 2. Long-Term Tax-Exempt Governmental Bonds, by Bond Purpose and Type of Issue, 2008

[Money amounts are in millions of dollars]

Bond purpose	All issues		New money issues		Refunding issues	
	Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	
Total [1]	17,495	271,685	14,684	153,771	4,160	117,914
Education	5,840	78,011	4,810	50,313	1,401	27,698
Health and hospital	388	7,128	319	2,808	102	4,320
Transportation	1,240	41,826	1,048	22,208	319	19,618
Public safety	2,210	6,774	2,090	3,994	235	2,780
Environment	1,261	15,902	984	8,509	466	7,393
Housing	99	664	67	296	39	368
Utilities	2,059	48,438	1,573	20,722	813	27,716
Bond and tax/revenue anticipation notes	367	1,994	323	1,640	95	354
Other purposes [2]	5,237	70,948	4,412	43,281	1,331	27,667

[1] A given bond issue can include more than one purpose and can include both new money and refunding proceeds. Thus, the summation of number of issues by purpose or by type of issue will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] "Other purposes" refers to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, *Informational Return for Tax-Exempt Governmental Obligations Bonds*.

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

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Table 3. Computation of Lendable Proceeds for Long-Term Tax-Exempt Governmental Bonds, by Bond Purpose, 2007

[Money amounts are in millions of dollars]

Bond purpose	Entire issue price		Bond issuance costs		Credit enhancement		Allocation to reserve fund	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total [1]	17,495	271,685	10,316	2,283	2,428	683	1,149	2,707
Education	5,840	78,011	3,570	670	1,098	168	182	211
Health and hospital	388	7,128	198	54	34	11	31	91
Transportation	1,240	41,826	809	318	168	104	99	605
Public safety	2,210	6,774	710	75	123	20	49	53
Environment	1,261	15,902	887	116	171	42	122	225
Housing	99	664	59	5	d	d	d	d
Utilities	2,059	48,438	1,663	419	414	203	319	782
Bond and tax/revenue anticipation notes	367	1,994	269	9	d	d	d	d
Other purposes [2]	5,237	70,948	3,272	617	679	133	376	734

Bond purpose	Total lendable proceeds		Proceeds used to refund prior issues		Nonrefunding proceeds	
	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)
Total [1]	17,495	266,012	4,160	115,584	14,684	150,428
Education	5,840	76,963	1,401	27,369	4,810	49,593
Health and hospital	388	6,972	102	4,236	319	2,736
Transportation	1,240	40,799	319	19,045	1,048	21,754
Public safety	2,210	6,625	235	2,726	2,090	3,899
Environment	1,261	15,520	466	7,284	984	8,236
Housing	99	651	39	364	67	287
Utilities	2,059	47,034	813	27,051	1,573	19,983
Bond and tax/revenue anticipation notes	367	1,984	95	351	323	1,633
Other purposes [2]	5,237	69,464	1,331	27,158	4,412	42,306

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] "Other purposes" refers to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, Informational Return for Tax-Exempt Governmental Obligations Bonds.

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

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Table 4. New Money Long-Term Tax-Exempt Governmental Bonds, by Bond Purpose and Size of Entire Issue, 2008

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

Bond purpose	All issues		Size of entire issue						
			Under \$500,000 [1]		\$500,000 under \$1,000,000		\$1,000,000 under \$5,000,000		
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Total [2]	14,684	153,771	5,610	1,318	1,796	1,227	3,562	8,248	
Education	4,810	50,313	1,745	412	565	388	1,022	2,318	
Health and hospital	319	2,808	94	21	38	28	89	193	
Transportation	1,048	22,208	361	77	98	63	277	518	
Public safety	2,090	3,994	1,232	282	276	186	319	587	
Environment	984	8,509	228	54	120	74	330	655	
Housing	67	296	10	2	14	8	16	31	
Utilities	1,573	20,722	320	83	174	109	565	1,149	
Bond and tax/revenue anticipation notes	323	1,640	48	15	57	39	147	344	
Other purposes [3]	4,412	43,281	1,621	372	494	332	1,115	2,454	
Size of entire issue—continued									
Bond purpose	\$5,000,000 under \$10,000,000		\$10,000,000 under \$25,000,000		\$25,000,000 under \$75,000,000		\$75,000,000 or more		
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)		
Total [2]	1,474	9,833	1,020	14,117	747	28,144	475	90,884	
Education	538	3,703	436	6,011	338	12,143	166	25,338	
Health and hospital	38	227	22	287	14	342	24	1,710	
Transportation	106	498	67	643	57	1,553	82	18,856	
Public safety	114	570	73	616	55	1,232	21	522	
Environment	120	637	78	829	61	1,775	47	4,485	
Housing	15	92	3	36	d	d	d	d	
Utilities	222	1,143	117	1,428	95	3,052	80	13,759	
Bond and tax/revenue anticipation notes	39	222	26	228	d	d	d	d	
Other purposes [3]	465	2,741	331	4,039	245	7,870	141	25,473	

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] Form 8038-G, Informational Return for Tax-Exempt Governmental Obligations Bonds, with an entire issue price less than \$100,000 are excluded from the study. Issuers of these bonds are instructed to file Form 8038-GC, Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales. Statistics of Income (SOI) does not process data from Forms 8038-GC filed with the Internal Revenue Service.

[2] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[3] "Other purposes" refers to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, *Informational Return for Tax-Exempt Governmental Obligations Bonds*.

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

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Table 5. New Money Long-Term Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2008

[Money amounts are in millions of dollars]

State of issue	Bond purpose									
	Total [1]		Education		Health and hospital		Transportation		Public safety	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All States	14,684	153,771	4,810	50,313	319	2,808	1,048	22,208	2,090	3,994
Alabama	254	1,131	50	521	6	11	21	37	27	12
Alaska	30	308	11	105	0	0	d	d	d	d
Arizona	274	5,688	128	1,755	d	d	17	858	41	413
Arkansas	202	642	94	354	d	d	7	8	15	18
California	954	15,918	335	5,510	30	383	76	1,098	106	288
Colorado	262	2,816	74	842	6	39	16	74	46	65
Connecticut	113	2,354	43	137	d	d	19	352	35	41
Delaware	27	489	d	d	0	0	11	174	7	17
District of Columbia	12	432	0	0	0	0	d	d	0	0
Florida	338	10,594	59	2,725	4	52	23	732	59	158
Georgia	398	4,813	92	1,282	d	d	9	791	75	165
Hawaii	12	725	0	0	d	d	d	d	0	0
Idaho	72	563	16	165	0	0	5	182	11	25
Illinois	857	5,770	425	1,847	7	14	50	1,659	71	149
Indiana	378	2,007	147	1,208	3	5	20	39	74	115
Iowa	365	1,215	94	382	d	d	23	34	22	59
Kansas	257	1,123	80	511	8	19	34	50	16	31
Kentucky	243	1,815	122	616	0	0	13	172	d	d
Louisiana	181	1,012	31	368	15	72	10	85	48	78
Maine	125	442	53	56	0	0	22	153	d	d
Maryland	153	3,891	38	1,231	9	69	17	1,632	35	95
Massachusetts	239	1,734	76	451	d	d	d	d	57	45
Michigan	463	2,393	159	1,310	16	34	32	80	50	88
Minnesota	573	2,981	135	879	6	35	46	179	31	160
Mississippi	243	1,147	40	320	d	d	14	14	42	14
Missouri	380	1,799	144	714	13	37	49	274	37	41
Montana	63	176	19	71	d	d	4	49	d	d
Nebraska	473	914	54	192	12	15	29	10	36	32
Nevada	50	2,465	10	859	0	0	4	180	5	16
New Hampshire	77	428	22	17	0	0	9	18	15	12
New Jersey	385	3,365	211	1,022	11	5	7	1,444	69	43
New Mexico	145	1,486	48	344	6	114	8	216	32	22
New York	743	15,310	374	4,392	9	441	44	3,012	92	53
North Carolina	514	3,767	69	1,269	10	174	18	120	161	317
North Dakota	138	357	36	76	d	d	10	9	0	0
Ohio	376	3,597	128	574	5	35	30	644	57	45
Oklahoma	381	1,838	279	762	11	34	14	151	16	21
Oregon	131	1,356	50	347	d	d	8	135	18	39
Pennsylvania	661	5,171	232	1,933	d	d	35	1,291	110	149
Rhode Island	35	328	7	125	0	0	d	d	8	3
South Carolina	226	1,381	52	396	6	64	d	d	62	88
South Dakota	68	304	16	54	d	d	5	2	6	17
Tennessee	199	1,734	42	292	4	61	d	d	32	48
Texas	1,302	21,593	378	10,962	34	447	57	3,656	156	403
Utah	149	1,692	21	290	6	29	16	749	25	106
Vermont	79	123	16	75	0	0	8	2	15	3
Virginia	238	4,199	86	1,359	7	135	14	190	53	232
Washington	199	4,390	55	741	9	55	19	949	26	92
West Virginia	104	243	9	125	0	0	5	1	46	34
Wisconsin	482	2,435	118	533	11	43	110	455	84	92
Wyoming	54	188	29	37	6	13	d	d	6	2
U.S. Possessions [3]	7	1,129	d	d	0	0	0	0	d	d

Footnotes at end of table.

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Table 5. New Money Long-Term Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2008—Continued

[Money amounts are in millions of dollars]

State of issue	Bond purpose—continued									
	Environment		Housing		Utilities		Bond and tax/revenue anticipation notes		Other purposes [4]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All States	984	8,509	67	296	1,573	20,722	323	1,640	4,412	43,281
Alabama	d	d	3	2	43	165	d	d	112	371
Alaska	d	d	0	0	0	0	0	0	17	202
Arizona	d	d	0	0	8	833	0	0	77	1,285
Arkansas	14	82	d	d	47	126	0	0	35	48
California	45	546	d	d	66	2,706	d	d	292	5,331
Colorado	6	24	3	8	18	918	0	0	93	845
Connecticut	17	61	d	d	5	234	3	7	45	1,520
Delaware	d	d	d	d	3	41	d	d	d	d
District of Columbia	0	0	0	0	0	0	0	0	d	d
Florida	24	666	0	0	42	1,765	4	42	124	4,455
Georgia	69	797	d	d	45	925	0	0	107	689
Hawaii	0	0	0	0	d	d	0	0	4	588
Idaho	8	65	0	0	10	92	9	17	13	17
Illinois	26	252	0	0	53	603	3	6	239	1,240
Indiana	26	38	0	0	16	108	15	34	79	460
Iowa	22	181	d	d	41	60	30	83	145	378
Kansas	28	141	0	0	31	48	16	33	84	290
Kentucky	d	d	d	d	24	122	19	75	33	799
Louisiana	17	25	0	0	15	139	3	5	44	238
Maine	5	12	0	0	d	d	10	26	28	186
Maryland	41	368	4	16	13	221	4	16	62	244
Massachusetts	43	59	3	91	43	103	27	72	124	865
Michigan	66	279	6	10	37	178	4	1	94	413
Minnesota	33	150	5	6	68	249	23	44	249	1,279
Mississippi	10	25	0	0	9	15	d	d	119	752
Missouri	11	73	0	0	38	188	0	0	91	471
Montana	6	11	0	0	6	2	d	d	24	39
Nebraska	d	d	d	d	44	450	24	44	271	163
Nevada	9	339	0	0	8	538	0	0	14	533
New Hampshire	5	14	0	0	3	3	3	9	34	354
New Jersey	13	112	0	0	19	117	4	14	85	608
New Mexico	12	40	0	0	10	72	0	0	29	676
New York	15	204	3	18	24	993	15	704	181	5,492
North Carolina	28	111	0	0	57	881	3	12	191	883
North Dakota	9	132	d	d	58	123	d	d	20	8
Ohio	28	525	3	1	14	982	4	16	122	776
Oklahoma	7	17	0	0	22	654	0	0	42	199
Oregon	7	366	d	d	12	171	3	14	31	277
Pennsylvania	104	585	d	d	34	51	9	35	148	958
Rhode Island	4	49	d	d	d	d	0	0	16	128
South Carolina	16	47	d	d	13	428	d	d	82	329
South Dakota	4	46	d	d	19	71	0	0	15	104
Tennessee	7	49	d	d	57	566	19	39	56	645
Texas	36	215	0	0	295	2,882	3	7	363	3,022
Utah	5	93	d	d	33	252	d	d	38	158
Vermont	8	4	0	0	10	7	3	1	19	31
Virginia	29	587	0	0	22	238	9	77	60	1,381
Washington	5	19	3	12	36	954	10	36	46	1,531
West Virginia	9	25	0	0	11	3	6	5	20	50
Wisconsin	85	522	4	2	84	141	25	124	170	523
Wyoming	d	d	0	0	d	d	0	0	8	55
U.S. Possessions [3]	0	0	0	0	d	d	0	0	4	888

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] U.S. possessions include Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands.

[3] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, *Informational Return for Tax-Exempt Governmental Obligations Bonds*.

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

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Table 6. Tax-Exempt Private Activity Bonds, by Type and Term of Issue, 2008

[Money amounts are in millions of dollars]

Type and term of issue	Number	Amount
All issues, total [1]	3,455	134,984
Short-term	76	2,161
Long-term	3,379	132,823
New money issues, total	2,494	53,276
Short-term	40	789
Long-term	2,454	52,488
Refunding issues, total	1,462	81,708
Short-term	39	1,372
Long-term	1,423	80,336

[1] A given bond issue can include both new money and refunding proceeds. Thus, the number of new money issues plus the number of refunding issues will sometimes exceed the total number of issues. However, the money amounts add to the totals.

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

Tax-Exempt Bonds, 2008

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Table 7. Long-Term Tax-Exempt Private Activity Bonds, by Bond Purpose and Type of Issue, 2008

[Money amounts are in millions of dollars]

Bond purpose	All issues		New money issues		Refunding issues	
	Number	Amount	Number	Amount	Number	Amount
			(1)	(2)	(3)	(4)
Total [1]	3,379	132,823	2,454	52,488	1,423	80,336
Airports	74	9,209	31	1,753	54	7,457
Docks and wharves	24	1,244	15	345	11	899
Water, sewage, and solid waste disposal facilities	117	3,643	88	2,575	35	1,068
Qualified residential rental facilities	391	7,030	312	4,573	87	2,456
Local electricity or gas furnishing facilities	11	399	d	d	d	d
2008 Housing Act under section 142 and section 143	6	232	d	d	d	d
Tax Reform Act of 1986 transition property bonds	66	4,137	d	d	d	d
Qualified highway or surface freight transfer facilities	d	d	d	d	d	d
Qualified Gulf Opportunity Zone and Gulf Opportunity Zone mortgage bonds	62	2,949	d	d	d	d
Qualified New York Liberty Zone bonds	d	d	d	d	d	d
Qualified mortgage bonds	143	10,669	94	5,076	100	5,593
Qualified veterans' mortgage bonds	4	135	d	d	d	d
Qualified small issue bonds	584	1,391	512	1,270	85	121
Qualified student loan bonds	24	4,213	14	1,404	16	2,809
Qualified hospital facilities	484	48,598	259	12,743	320	35,855
Qualified section 501(c)(3) nonhospital bonds	1,434	37,782	1,084	18,600	672	19,183
Nongovernmental output property bonds	d	d	0	0	d	d
Gulf Opportunity Zone advance refunding bonds	d	d	0	0	d	d
Other purposes [2]	11	383	7	57	5	326

d - Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose and can include both new money and refunding proceeds. Thus, the summation of number of issues by purpose or by type of issue will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] For this table, "other purposes" refers to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038, *Informational Return for Tax-Exempt Private Activity Bond Issues*.

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

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Table 8. Computation of Lendable Proceeds for Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose, 2008

[Money amounts are in millions of dollars]

Selected bond purpose	Entire issue price		Bond issuance costs		Credit enhancement		Allocation to reserve fund	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Total [1]	3,379	132,823	1,996	839	803	362	365	1,459
Airports	74	9,209	58	54	29	52	24	227
Docks and wharves	24	1,244	d	d	5	3	d	d
Water, sewage, and solid waste disposal facilities	117	3,643	66	26	22	7	16	23
Qualified residential rental facilities	391	7,030	87	21	26	6	16	39
Qualified mortgage bonds	143	10,669	34	18	3	[2]	33	63
Qualified small issue bonds	584	1,391	199	15	d	d	d	d
Qualified student loan bonds	24	4,213	d	d	d	d	7	50
Qualified hospital facilities	484	48,598	375	350	176	169	68	626
Qualified section 501(c)(3) nonhospital bonds	1,434	37,782	1,140	318	472	105	203	428
All other bonds, combined [3]	164	9,044	59	27	23	12	7	3

Selected bond purpose	Total lendable proceeds		Proceeds used to refund prior issues		Nonrefunding proceeds	
	Number	Amount	Number	Amount	Number	Amount
Total [1]	3,379	130,164	1,423	78,933	2,520	51,230
Airports	74	8,876	54	7,196	33	1,680
Docks and wharves	24	1,234	11	894	17	340
Water, sewage, and solid waste disposal facilities	117	3,587	35	1,068	88	2,519
Qualified residential rental facilities	391	6,963	87	2,420	313	4,543
Qualified mortgage bonds	143	10,588	100	5,566	95	5,021
Qualified small issue bonds	584	1,372	85	121	512	1,251
Qualified student loan bonds	24	4,157	16	2,797	14	1,361
Qualified hospital facilities	484	47,453	320	35,137	278	12,315
Qualified section 501(c)(3) nonhospital bonds	1,434	36,932	672	18,842	1,129	18,089
All other bonds, combined [3]	164	9,002	87	4,891	81	4,111

d—Data deleted to avoid disclosure of information for specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] Indicates an amount less than \$500,000.

[3] For purposes of this table, this category includes all issues for which a specific purpose either did not apply or was not clearly indicated on the Form 8038, Informational Return for Tax-Exempt Private Activity Bond Issues, as well as bonds issued for: local electricity or gas furnishing facilities, facilities issued under a transitional rule of the Tax Reform Act of 1986, qualified highway or surface freight transfer facilities, Gulf Opportunity Zone bonds, Gulf Opportunity Zone mortgage bonds, New York Liberty Zone bonds, qualified veterans' mortgage bonds, nongovernmental output property bonds, Gulf Opportunity Zone advance refunding bonds, and 2008 Housing Act bonds issued under IRC section 142 or 143.

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

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Table 9. New Money Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose and Size of Entire Issue, 2008

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

Selected bond purpose	All issues		Size of entire issue					
			Under \$1,000,000		\$1,000,000 under \$5,000,000		\$5,000,000 under \$10,000,000	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total [1]	2,454	52,488	337	93	579	1,540	497	3,255
Airports	31	1,753	d	d	10	30	5	32
Docks and wharves	15	345	d	d	d	d	3	25
Water, sewage, and solid waste disposal facilities	88	2,575	4	1	15	46	7	45
Qualified residential rental facilities	312	4,573	d	d	69	214	94	687
Qualified mortgage bonds	94	5,076	0	0	d	d	0	0
Qualified small issue bonds	512	1,270	260	53	133	359	91	588
Qualified student loan bonds	14	1,404	0	0	0	0	0	0
Qualified hospital facilities	259	12,743	7	4	38	107	30	226
Qualified section 501(c)(3) nonhospital bonds	1,084	18,600	55	30	299	738	248	1,520
All other bonds, combined [2]	81	4,150	d	d	d	d	19	132
Size of entire issue—continued								
Selected bond purpose	\$10,000,000 under \$25,000,000		\$25,000,000 under \$50,000,000		\$50,000,000 under \$100,000,000		\$100,000,000 or more	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total [1]	713	9,646	365	10,321	261	13,122	287	46,334
Airports	5	75	d	d	3	172	15	3,202
Docks and wharves	0	0	d	d	d	d	d	d
Water, sewage, and solid waste disposal facilities	5	77	3	125	d	d	0	0
Qualified residential rental facilities	d	d	0	0	3	89	d	d
Qualified mortgage bonds	35	554	28	971	16	972	7	660
Qualified small issue bonds	168	2,445	44	1,463	14	790	8	1,267
Qualified student loan bonds	16	240	10	326	14	658	9	2,581
Qualified hospital facilities	d	d	72	1,922	71	3,065	69	7,828
Qualified section 501(c)(3) nonhospital bonds	0	0	d	d	d	d	0	0
All other bonds, combined [2]	60	585	0	0	0	0	0	0

d - Data deleted to avoid disclosure of information for specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

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Table 10. New Money Long-Term Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2008

[Money amounts are in millions of dollars]

State of issue	Total [1]		Selected bond purpose							
			Airports, docks, and wharves [2]		Water, sewage, and solid waste disposal [2]		Qualified residential rental		Qualified Gulf Opportunity Zone and Gulf Opportunity Zone mortgage	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All States	2,454	52,488	46	2,097	88	2,575	312	4,573	94	5,076
Alabama	31	768	d	d	4	145	0	0	d	d
Alaska	5	192	0	0	0	0	0	0	d	d
Arizona	30	1,045	d	d	4	43	d	d	4	92
Arkansas	15	165	0	0	0	0	0	0	d	d
California	213	5,488	d	d	16	451	97	1,158	4	639
Colorado	64	827	d	d	0	0	d	d	0	0
Connecticut	23	611	0	0	0	0	d	d	d	d
Delaware	11	161	d	d	0	0	d	d	d	d
District of Columbia	18	726	0	0	0	0	d	d	0	0
Florida	95	2,058	8	384	d	d	22	195	d	d
Georgia	56	1,530	d	d	d	d	7	88	d	d
Hawaii	d	d	0	0	0	0	d	d	0	0
Idaho	11	370	0	0	0	0	0	0	4	175
Illinois	148	1,902	d	d	d	d	11	156	0	0
Indiana	48	903	d	d	5	232	3	33	d	d
Iowa	123	476	0	0	d	d	d	d	d	d
Kansas	60	216	0	0	0	0	d	d	d	d
Kentucky	47	804	d	d	d	d	5	36	d	d
Louisiana	54	2,453	d	d	d	d	3	35	d	d
Maine	12	253	0	0	0	0	d	d	3	92
Maryland	49	1,269	0	0	d	d	11	113	3	113
Massachusetts	99	2,408	0	0	d	d	6	98	3	160
Michigan	53	631	d	d	d	d	0	0	0	0
Minnesota	89	1,069	d	d	d	d	8	42	d	d
Mississippi	31	629	0	0	0	0	3	17	d	d
Missouri	50	1,638	0	0	d	d	d	d	d	d
Montana	11	138	0	0	0	0	d	d	d	d
Nebraska	33	230	0	0	d	d	0	0	d	d
Nevada	5	112	0	0	0	0	d	d	d	d
New Hampshire	24	399	0	0	0	0	d	d	4	99
New Jersey	54	2,089	0	0	d	d	d	d	d	d
New Mexico	5	205	0	0	0	0	d	d	d	d
New York	133	5,398	d	d	d	d	25	1,031	3	291
North Carolina	33	549	d	d	d	d	d	d	d	d
North Dakota	19	307	0	0	0	0	0	0	d	d
Ohio	81	2,197	0	0	6	125	12	73	4	357
Oklahoma	6	210	0	0	0	0	0	0	d	d
Oregon	21	511	0	0	d	d	7	27	d	d
Pennsylvania	197	3,030	0	0	4	252	d	d	d	d
Rhode Island	13	287	d	d	0	0	0	0	d	d
South Carolina	18	272	0	0	3	86	3	41	0	0
South Dakota	21	266	0	0	d	d	0	0	d	d
Tennessee	36	678	0	0	0	0	9	41	3	120
Texas	87	2,212	6	90	17	618	12	143	0	0
Utah	18	236	0	0	0	0	0	0	5	68
Vermont	15	234	0	0	0	0	4	4	d	d
Virginia	46	1,726	d	d	d	d	7	79	d	d
Washington	58	784	5	128	d	d	14	137	d	d
West Virginia	17	351	0	0	d	d	d	d	d	d
Wisconsin	61	875	0	0	0	0	d	d	d	d
Wyoming	3	72	0	0	0	0	0	0	d	d
U.S. Possessions [4]	d	d	0	0	0	0	d	d	0	0

Footnotes at end of table.

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Table 10. New Money Long-Term Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2008—Continued

[Money amounts are in millions of dollars]

State of issue	Selected bond purpose—continued									
	Qualified mortgage		Qualified small issue		Qualified hospital		Qualified section 501(c)(3) nonhospital		All other bonds, combined [3]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All States	512	1,270	14	1,404	259	12,743	1,084	18,600	81	4,150
Alabama	5	28	0	0	d	d	13	179	6	354
Alaska	0	0	0	0	0	0	d	d	d	d
Arizona	d	d	0	0	4	612	13	240	0	0
Arkansas	3	7	0	0	d	d	8	101	d	d
California	d	d	0	0	10	553	67	1,786	0	0
Colorado	10	14	d	d	3	251	46	423	0	0
Connecticut	0	0	0	0	6	221	12	191	0	0
Delaware	d	d	0	0	d	d	d	d	3	5
District of Columbia	0	0	0	0	d	d	10	420	0	0
Florida	11	53	0	0	9	194	40	878	0	0
Georgia	6	26	0	0	9	379	30	956	0	0
Hawaii	0	0	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	d	d	d	d	0	0
Illinois	76	76	0	0	21	1,161	39	448	0	0
Indiana	6	27	0	0	9	294	22	137	0	0
Iowa	81	16	0	0	4	165	32	194	d	d
Kansas	44	45	0	0	d	d	12	112	0	0
Kentucky	5	38	d	d	5	61	27	463	0	0
Louisiana	d	d	0	0	d	d	7	94	37	2,093
Maine	d	d	d	d	0	0	5	116	0	0
Maryland	d	d	0	0	3	392	28	613	0	0
Massachusetts	14	48	d	d	14	552	61	1,414	0	0
Michigan	13	75	0	0	9	197	27	279	0	0
Minnesota	9	16	d	d	5	477	63	430	0	0
Mississippi	d	d	0	0	0	0	8	67	18	493
Missouri	18	56	d	d	9	832	15	404	d	d
Montana	0	0	0	0	d	d	8	18	0	0
Nebraska	17	11	0	0	5	72	8	80	0	0
Nevada	d	d	0	0	0	0	d	d	0	0
New Hampshire	d	d	0	0	d	d	14	211	0	0
New Jersey	11	44	d	d	5	567	32	622	0	0
New Mexico	0	0	d	d	d	d	d	d	0	0
New York	10	41	0	0	22	612	68	2,654	5	368
North Carolina	3	18	0	0	6	167	19	307	d	d
North Dakota	d	d	0	0	4	87	13	89	0	0
Ohio	6	36	0	0	20	1,246	33	360	0	0
Oklahoma	d	d	0	0	d	d	d	d	d	d
Oregon	d	d	0	0	4	174	6	221	0	0
Pennsylvania	62	165	0	0	12	567	113	1,718	0	0
Rhode Island	d	d	d	d	d	d	5	65	0	0
South Carolina	d	d	0	0	d	d	9	66	0	0
South Dakota	10	19	0	0	d	d	7	53	0	0
Tennessee	3	17	0	0	5	398	16	102	0	0
Texas	5	41	d	d	6	224	42	920	d	d
Utah	d	d	d	d	0	0	6	52	0	0
Vermont	3	8	d	d	d	d	6	49	0	0
Virginia	4	15	0	0	6	485	25	358	d	d
Washington	12	18	0	0	d	d	20	188	d	d
West Virginia	0	0	0	0	6	232	8	28	0	0
Wisconsin	20	74	0	0	12	325	28	352	0	0
Wyoming	0	0	0	0	0	0	d	d	0	0
U.S. Possessions [4]	0	0	0	0	0	0	0	0	0	0

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] For purposes of this table, certain bond purposes were combined. For this reason, data in this table will differ slightly from the data in Tables 7 and 9.

[3] For purposes of this table, this category includes all issues for which a specific purpose either did not apply or was not clearly indicated on the Form 8038, Informational Return for Tax-Exempt Private Activity Bond Issues, as well as bonds issued for: local electricity or gas furnishing facilities, facilities issued under a transitional rule of the Tax Reform Act of 1986, qualified highway or surface freight transfer facilities, Gulf Opportunity Zone bonds, Gulf Opportunity Zone mortgage bonds, New York Liberty Zone bonds, qualified veterans' mortgage bonds, nongovernmental output property bonds, and 2008 Housing Act bonds issued under IRC section 142 or 143.

[4] U.S. possessions include Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands.

Unrelated Business Income Tax Returns, 2007

by Jael Jackson

Tax-exempt organizations generally operate for charitable or other beneficial purposes, with most income exempt from tax under the Internal Revenue Code. Tax-exempt organizations are permitted to engage in income-producing activities that are considered to be unrelated to their exempt purposes. However, to prevent potentially unfair competition between tax-exempt organizations and taxable for-profit entities, income derived from these unrelated activities is taxable. An organization that receives \$1,000 or more in gross unrelated business income in a tax year is required to file Form 990-T, *Exempt Organization Business Income Tax Return*, which is used to determine the amount of unrelated business taxable income and the associated unrelated business income tax liability.

Between Tax Years 2006 and 2007, gross unrelated business income, the total of all unrelated business income prior to deductions, reported by tax-exempt organizations increased 4 percent. The \$11.7 billion in gross unrelated business income reported for Tax Year 2007 was then offset by \$10.3 billion in deductions. The resulting net unrelated business taxable income, reported as unrelated business income (less deficit), which totaled \$1.4 billion for Tax Year 2007, was 11 percent higher than reported in the previous tax year.

Figure A shows selected financial statistics from Forms 990-T filed for Tax Years 2006 and 2007. After reducing their gross unrelated business income by allowable deductions, only about half of the 45,069 organizations that were required to file Form 990-T reported unrelated business income tax liability for Tax Year 2007. Despite an increase in the number of Form 990-T filers, there was a small decrease in the number of organizations that reported unrelated business taxable income. This decrease in organizations reporting unrelated taxable business income was accompanied by an increase in organizations that reported no taxable unrelated business income. Additionally, there was a 17.2-percent increase in the

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Figure A

Unrelated Business Income Tax Returns: Selected Items from Forms 990-T, Exempt Organization Business Income Tax Returns, Tax Years 2006 and 2007

[Money amounts are in thousands of dollars]

Item	2006	2007	Percentage change
	(1)	(2)	(3)
Number of returns, total	43,520	45,069	3.6
With gross unrelated business income of \$10,000 or less [1]	17,008	19,938	17.2
With gross unrelated business income over \$10,000 [1]	26,512	25,131	-5.2
With unrelated business taxable income	22,191	21,273	-4.1
Without unrelated business taxable income [2]	21,329	23,796	11.6
Gross unrelated business income	11,271,392	11,682,909	3.7
Total deductions [3]	9,987,940	10,254,953	2.7
Unrelated business taxable income (less deficit)	1,283,452	1,427,956	11.3
Unrelated business taxable income	2,176,235	2,316,677	6.5
Deficit	892,783	888,721	-0.5
Unrelated business income tax	555,736	598,568	7.7
Total tax	556,285	594,126	6.8

[1] Organizations with gross unrelated business income (UBI) between \$1,000 (the filing threshold) and \$10,000 were not required to report itemized expenses and deductions, or to complete return schedules. Those with gross UBI over \$10,000 were required to fill out a more detailed "complete" return.

[2] Includes returns with deficits and returns with equal amounts of gross unrelated business income and total deductions.

[3] Includes both expenses and deductions reported on Form 990-T, lines 13(B), 29, 31, and 33. Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services is a component of gross unrelated business income (upon which the filing requirement is based). Total cost of sales and services was \$2.7 billion for 2006 and \$2.6 billion for 2007.

NOTES: Detail may not add to totals because of rounding. See the Explanation of Selected Terms section of this article for definitions of gross unrelated business income, total deductions, unrelated business taxable income (less deficit), unrelated business income tax, and total tax.

number of organizations that reported gross unrelated business income of less than \$10,000. Tax-exempt organizations reported \$598.5 million in unrelated business income tax liability, an 8-percent increase from Tax Year 2006.

Total tax reported on Form 990-T, the sum of unrelated business income tax and certain additional taxes less credits, was \$594.1 million. These additional taxes included \$8.8 million of alternative minimum tax, \$1.7 million of "proxy tax" on certain non-deductible lobbying and political expenditures, and

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\$0.28 million of “other” taxes.¹ To arrive at the total tax amount, total tax credits were subtracted from the sum of unrelated business income tax plus additional taxes. Total tax credits equaled \$15.2 million for Tax Year 2007, exceeding the amount of additional taxes reported. Tax credits included the foreign tax credit (\$12.0 million), general business credit (\$2.3 million), credit for prior-year minimum tax (\$0.3 million), and “other” credits (\$0.6 million).

Definition of Unrelated Business Income

Unrelated business income is produced from an activity that is conducted on a regular basis and is not directly related to an organization’s tax-exempt mission. Income earned by an organization is treated as unrelated business income if it meets two basic requirements. First, the income is derived from a trade or business that is regularly carried on by the organization. Second, the income is earned from a trade or business that is not substantially related to the performance of the organization’s exempt purpose or function. Even if profits from such activities are used by tax-exempt organizations to finance their exempt purposes, income that meets these two requirements generally is treated as unrelated business income. However, certain activities are excluded from taxation, such as business activities in which substantially all of the work is performed by volunteer labor, sales of merchandise that the organization received as a gift or contribution, and the operation of certain games of chance, as specified in the Internal Revenue Code (see “gross unrelated business Income” in the *Explanation of Selected Terms* for additional information).

Filing Requirements and Composition of Tax Year 2007 Filers

A variety of tax-exempt organizations are required to file Form 990-T to report unrelated business income

and the associated tax. Figure B details the types of organizations that may be required to file Form 990-T by Internal Revenue Code section, organization, and nature of activities. Charitable organizations, which are tax-exempt under section 501(c)(3), are generally the most common Form 990-T filers.

Most tax-exempt organizations with receipts more than \$25,000 are required to file an annual Form 990, *Return of Organization Exempt From Income Tax*, or Form 990-EZ, *Short Form Return of Organization Exempt From Income Tax* (used by organizations with annual gross receipts of less than \$100,000 and total end-of-year assets of less than \$250,000). Private foundations, which are exempt under section 501(c)(3), file the information return Form 990-PF, *Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation*.² The composition of Form 990-T filers, by type of tax-exempt organization, type of entity, and size of gross unrelated business income and gross unrelated business taxable income, is shown in Figure C.

Income Information, by Subsection Code

The largest organization type for Tax Year 2007, as classified by the Internal Revenue Code, was 501(c)(3) which represented nearly one-third of Form 990-T filers. In addition to comprising nearly 32 percent of Form 990-T filers, 501(c)(3) charitable organizations accounted for even higher percentages of gross unrelated business income, total unrelated business income tax, and other financial items for Tax Year 2007. Traditional Individual Retirement Arrangements (IRAs), exempt under section 408(e), social and recreational clubs, exempt under section 501(c)(7), and business leagues, chambers of commerce, and other organizations exempt under section 501(c)(6), accounted for 18, 15, and 13 percent of all Tax Year 2007 Forms 990-T filed, respectively.

¹ A membership organization that was tax exempt under Internal Revenue Code sections 501(c)(4), 501(c)(5), or 501(c)(6) was liable for the proxy tax in cases where it did not notify its members of the entire amount of the shares of their dues that were allocated to the nondeductible lobbying and political expenditures. The proxy tax of \$1.7 million used in the total tax computation includes only proxy tax reported by Form 990 T filers with gross unrelated business income greater than the \$1,000 filing threshold. Filers that reported gross unrelated business income less than the \$1,000 threshold were not eligible for selection into the Statistics of Income (SOI) sample. Therefore, proxy tax reported by organizations that had no unrelated business income or those that had unrelated business income less than the filing threshold is not included.

² Churches, which are tax exempt under Internal Revenue Code section 501(c)(3), are not required to apply for exemption unless they desire to obtain an Internal Revenue Service ruling, and they do not have to file a Form 990 information return. However, these churches are required to file Form 990 T if they received \$1,000 or more of gross income from business activities that were considered unrelated to their religious purposes. Charitable remainder trusts, a type of Internal Revenue Code section 4947(a)(2) “split-interest trust,” were required to report unrelated business income on Form 1041, *Estate and Trust Income Tax Return*, rather than Form 990 T, for tax years before 2007. Beginning with Tax Year 2007, charitable remainder trusts were required to report unrelated business income on Form 4720, *Return of Certain Excise Taxes on Charities and Other Persons under Chapters 41 and 42 of the Internal Revenue Code*. Published statistical reports on charitable and other nonprofit organizations, private foundations, and split-interest trusts are available from the Tax Stats pages of the IRS Web site at <http://www.irs.gov/taxstats>. Also available on the site in a “snapshot” page that provides data highlights and products.

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Figure B

Figure B. Types of Tax-Exempt Organizations Subject to the Unrelated Business Income Tax Provisions, by Internal Revenue Code Section

Code section	Description of organization	General nature of activities
220(e)	Archer Medical Savings Accounts (MSA's)	Fiduciary agent for accounts used in conjunction with high-deductible health insurance plans to save funds for future medical expenses
401(a)	Qualified pension, profit-sharing, or stock bonus plans	Fiduciary agent for pension, profit-sharing, or stock bonus plans
408(e)	Traditional Individual Retirement Accounts (IRA's)	Fiduciary agent for retirement funds
408A	Roth Individual Retirement Accounts (IRA's)	Fiduciary agent for retirement funds; subject to same rules as traditional IRA's, except contributions are not tax deductible and qualified distributions are tax free
501(c)(2)	Title-holding corporations for exempt organizations	Holding title to property for exempt organizations
(3)	Religious, educational, charitable, scientific, or literary organizations; organizations that test for public safety. Also, organizations that prevent cruelty to children or animals, or foster national or international amateur sports competition	Activities of a nature implied by the description of the class of organization
(4)	Civic leagues, social welfare organizations, and local associations of employees	Promotion of community welfare and activities from which net earnings are devoted to charitable, educational, or recreational purposes
(5)	Labor, agricultural, and horticultural organizations	Educational or instructive groups whose purpose is to improve conditions of work, products, and efficiency
(6)	Business leagues, chambers of commerce, real estate boards, and like organizations	Improving conditions in one or more lines of business
(7)	Social and recreational clubs	Pleasure, recreation, and social activities
(8)	Fraternal beneficiary societies and associations	Lodges providing for payment of life, health, accident, or other insurance benefits to members
(9)	Voluntary employees' beneficiary associations (including Federal employees' voluntary beneficiary associations formerly covered by section 501(c)(10))	Providing for payment of life, health, accident, or other insurance benefits to members
(10)	Domestic fraternal beneficiary societies and associations	Lodges, societies, or associations devoting their net earnings to charitable, fraternal, and other specified purposes, without life, health, or accident insurance benefits to members
(11)	Teachers' retirement fund associations	Fiduciary associations providing for payment of retirement benefits
(12)	Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, and like organizations	Activities of a mutually beneficial nature implied by the description of the class of organization
(13)	Cemetery companies	Arranging for burials and incidental related activities
501(c)(14)	State-chartered credit unions and mutual insurance or reserve funds	Providing loans to members or providing insurance of, or reserve funds for, shares or deposits in certain banks or loan associations
(15)	Mutual insurance companies or associations other than life, if written premiums for the year do not exceed \$350,000	Providing insurance to members, substantially at cost
(16)	Corporations organized to finance crop operations	Financing crop operations in conjunction with activities of a marketing or purchasing association
(17)	Supplemental unemployment benefit trusts	Fiduciary agent for payment of supplemental unemployment compensation benefits
(18)	Employee-funded pension trusts (created before June 25, 1959)	Providing for payments of benefits under a pension plan funded by employees
(19)	Posts or organizations of past or present members of the armed forces	Providing services to veterans or their dependents; advocacy of veteran's issues; and promotion of patriotism and community service programs
(21)	Black Lung Benefit Trusts	Providing funds to satisfy coal mine operators' liability for disability or death due to black lung disease
(22)	Withdrawal liability payment funds	Providing funds to meet the liability of employers withdrawing from a multiple-employer pension fund
(23)	Associations of past and present members of the armed forces founded before 1880	Providing insurance and other benefits to veterans or their dependents
(24)	Trusts described in section 4049 of the Employee Retirement Income Security Act of 1974	Providing funds for employee retirement income

Footnotes at end of figure.

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Figure B—Continued

Figure B. Types of Tax-Exempt Organizations Subject to the Unrelated Business Income Tax Provisions, by Internal Revenue Code Section—Continued

(25)	Title-holding corporations or trusts with no more than 35 shareholders or beneficiaries and only one class of stock or beneficial interest	Acquiring real property and remitting all income earned from such property to one or more exempt organizations; pension, profit-sharing, or stock bonus plans; or governmental units
(26)	State-sponsored high-risk health insurance plans	Providing coverage for medical care on a not-for-profit basis to residents with pre-existing medical conditions that resulted in denied or exorbitantly priced traditional medical care coverage
(27)	State-sponsored workers' compensation reinsurance plans	Pooled employers' funds providing reimbursements to employees for losses arising under workers' compensation acts; also, State-created, -operated, and -controlled organizations providing workers' compensation insurance to employers
529(a)	Qualified State Tuition Plans	State- and agency-maintained plans that allow individuals to purchase credits or certificates, or make contributions to an account, to pay for future educational expenses
530(a)	Coverdell Education Savings Accounts	Fiduciary agent for accounts created for the purpose of paying qualified higher education expenses of a designated beneficiary

NOTES: Corporations that are organized under an Act of Congress, and are instrumentalities of the United States, described in section 501(c)(1) of the Internal Revenue Code, are not subject to unrelated business income taxation. Prepaid legal service funds, previously described in section 501(c)(20) of the Internal Revenue Code, were no longer tax exempt effective for tax years beginning after June 30, 1992.

Figure D shows financial items for Tax Year 2007, including gross unrelated business income and its components, the ratio of investment income to gross unrelated business income, total deductions, and unrelated business income tax. Charitable organizations accounted for 58 percent of the almost \$11.7 billion in gross unrelated business income reported for Tax Year 2007. They claimed 64 percent of total deductions and reported 47 percent of total unrelated business income tax.

Charitable organizations reported 42 percent of total investment income for Tax Year 2007. However, investment income represented only a small percentage, about 26 percent, of gross unrelated business income reported by charitable organizations. Generally, organizations that were organized as tax-exempt trusts derived larger percentages of their gross unrelated business income from investments. For example, traditional IRAs reported more than 90 percent of their gross unrelated business income as investment income.

Income Information, by Entity Type

Tax-exempt organizations' unrelated business taxable income is subject to the same tax rates as income reported by for-profit filers. Generally, organizations that, based on their structures, classify themselves as tax-exempt trusts pay taxes on their unrelated business income at the same rates as estate and trust

filers, while all other exempt organizations, which are structured more like corporations, pay taxes at the corporate rate. Nearly 77 percent of all Tax Year 2007 Forms 990-T were filed by tax-exempt organizations that paid taxes at the corporate rate. Tax-exempt trusts accounted for the additional 23 percent of Forms 990-T filed for the year, which is a slightly larger percentage than the previous year.

Traditional IRAs, voluntary employees' beneficiary associations, and pension, profit-sharing, and stock bonus plans account for the majority of the 10,361 tax-exempt trusts that file Form 990-T. For Tax Year 2007, these organizations represented more than 77 percent of all trusts that filed the return. The remaining 34,708 Tax Year 2007 Form 990-T filers, including the majority of charitable organizations, were primarily organized as corporations. The majority of all organizations, 56 percent, that filed Form 990-T for Tax Year 2007 reported gross unrelated business income of \$10,000 or more. However, over half of all organizations that were required to file Form 990-T did not report unrelated business income tax liability after subtracting deductions from gross unrelated business income.

Figure E further illustrates the differences between tax-exempt trusts and corporate filers. The latter group reported the majority of gross unrelated business income, total deductions, positive unrelated business taxable income, and unrelated business

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Figure C

Unrelated Business Income Tax Returns: Form 990-T Filers, by Gross Unrelated Business Income, Gross Unrelated Business Taxable Income, Subsection Code, and Type of Organization, Tax Year 2007 [Money amounts are in thousands of dollars]

Category	Item	Number of returns	Percentage of total
All 990-T Forms	All returns	45,069	100.0
Type of organization	Total	45,069	100.0
	501(c)(3) Religious, educational, charitable, scientific, or literary organizations	14,312	31.8
	501(c)(4) Civic leagues and social welfare organizations	1,646	3.7
	501(c)(5) Labor, agricultural, and horticultural organizations	2,172	4.8
	501(c)(6) Business leagues, chambers of commerce, and real estate boards	5,722	12.7
	501(c)(7) Social and recreational clubs	6,596	14.6
	501(c)(19) War veterans' posts or organizations	1,770	3.9
	408(e) Traditional Individual Retirement Arrangements	7,939	17.6
	Other [1]	4,912	10.9
Type of entity	Total	45,069	100.0
	Corporation	34,708	77.0
	Trust	10,361	23.0
Size of gross unrelated business income	Total	45,069	100.0
	With gross unrelated business income of \$10,000 or less	19,938	44.2
	With gross unrelated business income over \$10,000	25,131	55.8
Unrelated business taxable income	Total	45,069	100.0
	With unrelated business taxable income	21,273	47.2
	Without business taxable income	23,796	52.8

[1] This category includes organizations described under sections 501(c)(2), 501(c)(8)-(19), 501(c)(21)-(27), as well as Archer medical savings accounts, exempt under section 220(e); qualified pension, profit-sharing, or stock bonus plans, exempt under section 401(a); Roth Individual Retirement Arrangements, exempt under section 408A, state-sponsored health plans, exempt under section 529(a); and Coverdell education savings accounts, exempt under section 530(a). See Figure B for additional information on the types of organizations that are required to file Form 990-T.

NOTES: Detail may not add to totals because of rounding. See the Explanation of Selected Terms section of this article for definitions of gross unrelated business income and unrelated business taxable income (less deficit).

income tax. These corporate filers reported \$9.9 billion in gross unrelated business income, \$9.6 billion in total deductions, and \$349 million in unrelated business income tax.

While representing less than one quarter of Form 990-T filers, trusts reported higher amounts of total investment income and unrelated business taxable income (less deficit) than their corporate counterparts. Of the \$3.1 billion in investment income received by tax-exempt organizations, more than half was reported by trusts. Overall, trusts reported 90 percent of their gross unrelated business income as investment income, compared to less than 15 percent for corporations. More than 78 percent of net unrelated business taxable income that was reported for Tax Year 2007 was attributable to trusts, which reported approximately 42 percent of total unrelated business income tax for Tax Year 2007.

Summary

Tax-exempt organizations reported more than \$11 billion in gross unrelated business income for Tax Year 2007. Total unrelated business income tax liability increased by 7.7 percent from Tax Year 2006 to \$598.6 million.

Charitable organizations, tax exempt under section 501(c)(3), were the most common Form 990-T filers, representing nearly one-third of all organizations that filed the return for Tax Year 2007. These organizations reported 58 percent of all gross unrelated business income for the year, claimed 64 percent of deductions, and accounted for a little less than half of all unrelated business income tax liability.

Nearly 77 percent of all Tax Year 2007 Forms 990-T were filed by tax-exempt organizations that paid taxes at the corporate rate, with tax-exempt trusts accounting for the remainder of filers. Filers

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Figure D

Unrelated Business Income Tax Returns: Selected Unrelated Business Income Tax Data for Tax-Exempt Organizations, by Subsection Code, Tax Year 2007

[Money amounts are in thousands of dollars]

Item	Subsection Code								
	All	501(c)(3)	501(c)(4)	501(c)(5)	501(c)(6)	501(c)(7)	501(c)(19)	408(e)	Other [1]
Number of returns	45,069	14,312	1,646	2,172	5,722	6,596	1,770	7,939	4,912
Gross unrelated business income	11,682,909	6,809,968	547,631	273,407	1,086,862	665,582	169,163	87,160	2,043,136
Total investment income [2]	3,067,541	1,275,296	31,615	20,474	41,804	128,558	8,875	84,337	1,476,582
Investment income to gross UBI (Percentage)	26.3	18.7	5.8	7.5	3.8	19.3	5.2	96.8	72.3
Total deductions	10,254,953	6,536,113	543,685	264,553	1,040,140	589,492	326,234	15,908	938,828
Unrelated business taxable income (less deficit)	1,427,956	279,855	3,946	8,854	46,722	76,090	-4,056	71,252	945,293
Unrelated business taxable income	2,316,677	903,615	28,999	24,791	109,048	115,292	8,328	72,118	1,054,486
Deficit	888,721	623,760	25,053	15,937	62,326	39,202	12,384	866	109,193
Unrelated business income tax	598,568	278,673	9,255	6,372	30,558	28,957	1,454	17,871	225,428
Total tax	594,126	276,895	8,802	6,373	31,884	27,708	1,449	17,989	223,026

[1] This category includes organizations described under sections 501(c)(2), 501(c)(8)-(18), 501(c)(21)-(27), as well as Archer medical savings accounts, exempt under section 220(e); qualified pension, profit-sharing, or stock bonus plans, exempt under section 401(a); Roth Individual Retirement Arrangements, exempt under section 408A; state-sponsored health plans, exempt under section 529(a); and Coverdell education savings accounts, exempt under section 530(a). See Figure B for additional information on the types of organizations that are required to file Form 990-T.

[2] Total investment income includes net capital gain income, combined partnership and S corporation income, unrelated debt-financed income, and investment income of Internal Revenue Code section 501(c)(7), (9), and (17) organizations. Other types of tax-exempt organizations' investment income ordinarily are not taxed, unless the investments were purchased with borrowed funds, i.e. debt-financed.

NOTES: Detail may not add to totals because of rounding. See the Explanation of Selected Terms section of this article for definitions of gross unrelated business income, total deductions, unrelated business taxable income (less deficit), unrelated business income tax, and total tax.

classified as corporations reported the majority of gross unrelated business income, total deductions, positive unrelated business taxable income, and unrelated business income tax for Tax Year 2007. Tax-exempt trusts accounted for larger proportions of total investment income and net unrelated business taxable income.

Data Sources and Limitations

To report unrelated business income of \$1,000 (the filing threshold) or more for Tax Year 2007, Internal Revenue Code section 220(e), 401(a), 408(e), 408A, and 530(a) trusts' required reporting period was Calendar Year 2007, and the Form 990-T filing deadline was April 15, 2008. For all other organizations, the required reporting period was any accounting period beginning in Calendar Year 2007 and, thus, ending between December 2007 and November 2008, for full-year return filers. The associated required due dates for filing Tax Year 2007 Forms 990-T generally fell between May 2008 to April 2009, but extensions of time to file beyond this period were routinely granted to many organizations. Corresponding to the required filing dates, the SOI Tax Year 2007 study sample was drawn from Forms 990-T processed by IRS throughout Calendar Years 2008 and 2009.

Because of the various accounting periods of the organizations filing a Tax Year 2007 return, the financial activities covered in this article span the period January 2007 through November 2008, although 63 percent of Form 990-T filers had Calendar Year 2007 accounting periods.

The population from which the Form 990-T sample was drawn consisted of Tax Year 2007 Form 990-T records posted to the IRS Business Master File system during 2008 and 2009. Generally, returns filed after Calendar Year 2009 were not included in the sample. However, in some cases, late-filed returns that were considered to be large income-size cases (over \$500,000 or more of gross unrelated business income), were added after the close of the sampling period. A sample of 7,439 returns was selected from a population of 45,194. After excluding returns that were selected for the sample but later rejected, the resulting sample size was 7,408 returns, and the estimated population size was 45,069. Rejected returns included those that had gross unrelated business income less than the \$1,000 filing threshold; were filed for a part-year 2007 accounting period, and a full-year 2007 return was also filed; or were filed for a part-year accounting period that began in a year other than 2007.

Figure E

**Unrelated Business Income Tax Returns:
Selected Unrelated Business Income Tax Data
for Tax-Exempt Corporate and Trust Entities,
Tax Year 2007**

[Money amounts are in thousands of dollars]

Item	Type of Entity		
	All	Corporation	Trust
Number of returns	(1)	(2)	(3)
	45,069	34,708	10,361
Gross unrelated business income	11,682,909	9,882,871	1,800,038
Total investment income [1]	3,067,541	1,443,069	1,624,472
Investment income to gross UBI ratio (Percentage)	26.3	14.6	90.2
Total deductions	10,254,953	9,575,530	679,423
Unrelated business taxable income (less deficit)	1,427,956	307,341	1,120,615
Unrelated business taxable income	2,316,677	1,147,111	1,169,566
Deficit	888,721	839,770	48,951
Unrelated business income tax	598,568	348,930	249,638
Total tax	594,126	348,074	246,052

[1] Total investment income includes capital gain net income, combined partnership and S corporation income, unrelated debt-financed income, and investment was purchased with borrowed funds, i.e. debt-financed organizations. Other types of tax-exempt organizations' investment income ordinarily is not taxed, unless the investment income of Internal Revenue Code section 501(c)(7),(9), and (17).

NOTES: Detail may not add to totals because of rounding. See the Explanation of Selected Terms section of this article for definitions of gross unrelated business income, total deductions, unrelated business taxable income (less deficit), unrelated business income tax, and total tax.

The Tax Year 2007 Statistics of Income (SOI) Form 990-T study incorporated a two-stage sample design consisting of a stratified random sample and a special "integrated" sample. The stratified random sample was designed to represent the entire population of Form 990-T filers reporting unrelated business income. The integrated sample was designed to gather information on "related" (tax exempt) and "unrelated" (taxable) income and expenses for section 501(c)(3) nonprofit charitable organizations that filed both Form 990 (or Form 990-EZ) and Form 990-T. This integrated sampling program ensured that the SOI sample of Forms 990-T included any unrelated business income tax returns (with gross unrelated business income of \$1,000 or more) filed by organizations whose Form 990 or Form 990-EZ information returns were selected for the separate

SOI sample of section 501(c)(3) nonprofit charitable organizations. Organizations exempt under other Code sections were not subjected to the integrated sampling program.

The Form 990-T returns were initially divided into strata, based on gross unrelated business income, and selected using Bernoulli sampling into rates ranging from 3.65 percent to 100 percent. Section 501(c)(3) returns not selected randomly were then matched to returns in the Forms 990/990-EZ sample. These linked returns, along with any randomly selected Forms 990-T that also had counterparts in the Forms 990/990-EZ sample, formed the "integrated" Internal Revenue Code section 501(c)(3) portion of the Form 990-T sample.³

The information presented in this article was obtained from returns as originally filed with the Internal Revenue Service. The amount of total tax liability originally reported on Forms 990-T, as stated in these statistics, may not necessarily be the amount ultimately paid to IRS. Changes in tax liability assessments can be made after the original return is filed, either by the taxpayer on an amended return, by the IRS after examination, or by litigation. The data were subjected to comprehensive testing and correction procedures in order to improve statistical reliability and validity. In most cases, due to time constraints, changes made to the original return as a result of administrative processing, audit procedures, or a taxpayer amendment were not incorporated into the database.

Because the data are based on a sample, they are subject to sampling error. In order to use these statistics properly, the magnitude of the sampling error, measured by the coefficient of variation (CV), should be taken into account. Figure F shows CVs for selected financial data estimates derived from the Form 990-T stratified random sample. A discussion of the reliability of estimates based on samples and methods for evaluating both the magnitude of sampling and nonsampling error and the precision of sample estimates can be found in the SOI Sampling Methodology and Data Limitations, located near the back of this issue of the *SOI Bulletin* or at <http://www.irs.gov/taxstats/charitablestats/article/0,,id=97210,00.html>.

³ For additional information on the Forms 990 and 990 T integrated sample design, see Harte, James M. and Cecelia H. Hilgert, "Enriching One Sample While Improving Another: Linking Differently Stratified Samples of Documents Filed by Exempt Organizations," *Statistics of Income: Compendium of Studies of Tax-Exempt Organizations, 1989-1998, 2002*.

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Figure F

Unrelated Business Income Tax Returns: Coefficients of Variation by Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income (Less Deficit), Unrelated Business Taxable Income, and Total Tax, by Type of Tax-Exempt Organization, Tax Year 2007

Type of tax-exempt organization, as defined by Internal Revenue Code section	Number of returns	Gross unrelated business income (UBI)	Total deductions		Unrelated business taxable income (less deficit)		Unrelated business taxable income [2]		Total tax	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All organizations	0.09	0.18	0.09	0.28	0.12	1.53	0.18	0.61	23,614.00	0.65
501(c)(2) Title-holding corporations for exempt organizations [1]	26.45	6.24	26.45	8.47	29.00	6.43	32.71	4.70	34.54	2.09
501(c)(3) Religious, educational, charitable, scientific, or literary organizations	2.72	0.31	2.72	0.37	3.06	4.88	4.64	0.90	4.59	0.71
501(c)(4) Civic leagues and social welfare organizations	11.20	1.77	11.20	1.96	12.75	95.77	18.90	6.46	19.01	4.35
501(c)(5) Labor, agricultural, and horticultural organizations	9.56	4.08	9.56	4.43	11.23	39.64	15.36	8.35	15.56	6.79
501(c)(6) Business leagues, chambers of commerce, and real estate boards	5.69	1.56	5.69	1.74	6.83	4.88	9.44	3.96	9.20	3.26
501(c)(7) Social and recreational clubs	5.43	2.62	5.42	3.09	5.90	11.66	6.89	5.54	7.00	5.51
501(c)(8) Fraternal beneficiary societies and associations	15.58	9.92	15.77	10.72	17.27	99.60	2.53	16.31	25.27	10.27
501(c)(9) Voluntary employees' beneficiary associations	13.46	0.78	13.31	1.74	16.56	1.14	17.46	0.88	17.27	1.32
501(c)(10) Domestic fraternal beneficiary societies and associations	26.41	18.92	26.41	20.38	34.15	96.22	63.40	37.97	63.39	24.88
401(a) Qualified pension, profit-sharing, or stock bonus plans	17.73	1.25	17.69	3.35	17.75	1.53	18.27	1.41	18.32	2.16
408(e) Traditional Individual Retirement Arrangements	5.16	7.68	5.17	8.98	5.10	8.88	4.71	8.75	4.75	9.83
Other [3]	7.31	2.43	7.35	2.53	7.97	21.71	12.05	7.43	12.21	6.13

[1] Corporations that are organized under an Act of Congress and are instrumentalities of the United States, described in section 501(c)(1) of the Internal Revenue Code, are not subject to unrelated business income taxation.

[2] Includes data from returns with positive amounts of unrelated business taxable income only.

[3] This category includes organizations described under sections 501(c)(11)-(19), 501(c)(21)-(27), as well as Archer medical savings accounts, exempt under section 220(e); Roth Individual Retirement Arrangements, exempt under section 408A, state-sponsored health plans, exempt under section 529(a); and Coverdell education savings accounts, exempt under section 530(a).

NOTE: For more complete descriptions of the types of tax-exempt organizations filing Form 990-T, by the Internal Revenue Code section describing them, see Figure B of this article.

Explanation of Selected Terms

This section provides definitions to help the reader understand the terms contained in the article and in Tables 1 through 7, found at the end of the article. In some of the following explanations, tax-exempt organizations are cited by the Internal Revenue Code section under which they are described. The various types of tax-exempt organizations subject to the unrelated business income tax provisions are shown in Figure B.

Advertising income—Gross income realized by a tax-exempt organization from the sale of advertising in a periodical was gross income from an unrelated trade or business activity involving the “exploitation

of an exempt activity,” namely, the circulation and subscriber base of the periodical developed by producing and distributing the mission-related content of that periodical. Advertising income was reported separately from other types of “exploited exempt activity income.” (See the explanation of exploited exempt activity income.) Internal Revenue Code section 501(c)(7), (9), and (17) organizations reported gross advertising income, as well as other types of “exploited exempt activity income,” as part of gross receipts from sales and services. All other organizations reported this income separately.

Capital gain net income—Generally, organizations required to file Form 990-T (except organi-

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zations tax-exempt under Internal Revenue Code sections 501(c)(7), (9), and (17)) were not taxed on net gains from the sale, exchange, or other disposition of property. However, capital gain net income on sales of debt-financed property, certain gains on the cutting of timber (section 1231), and gains on sales of certain depreciable property (described in Internal Revenue Code sections 1245, 1250, 1252, 1254, and 1255) were considered taxable. Also, any gain or loss passed through from a partnership or S corporation, or any gain or loss on the disposition of S corporation stock by a “qualified tax-exempt” (defined in the explanation of income (less loss) from partnerships and S corporations), was taxed as a capital gain or loss. (See the explanation of Investment Income (Less Loss) for information regarding investment income of section 501(c)(7), (9), and (17) organizations.)

Charitable contributions—To the extent permissible under the Internal Revenue Code, a deduction was allowed for contributions or gifts actually paid within the tax year to, or for the use of, another entity that was a charitable or Governmental organization described in Code section 170(c). A tax-exempt corporation was allowed a deduction for charitable contributions up to 10 percent of its unrelated business taxable income computed without regard to the deduction for contributions. A tax-exempt trust was generally allowed a deduction for charitable contributions under the rules applicable to individual taxpayers, except the limit on the deduction was determined in relation to unrelated business taxable income computed without regard to the contributions deduction, rather than in relation to adjusted gross income. Contributions in excess of the respective corporate or trust limitations may be carried over to the next 5 taxable years, subject to certain rules. The contributions deduction was allowed whether or not the donated income was directly connected with the carrying on of a trade or business.

Cost of sales and services—Cost of sales and services may have included depreciation, salaries and wages, and certain other types of deductible items. For this reason, the total amount shown for some of the separately reported components of total deductions, such as “salaries and wages,” may be understated. Cost of sales and services was subtracted from gross receipts from sales and services in computing gross profit (less loss) from sales and services,

which is a component of gross unrelated business income.

Deductions directly connected with unrelated business income—These were deductions allowed in computing net income, if they otherwise qualified as income tax deductions under the Internal Revenue Code and if they had a “proximate and primary” relationship to carrying on an unrelated trade or business. Allowable deductions included those allocable to rental of personal property; those allocable to unrelated debt-financed income; those allocable to investment income of Internal Revenue Code section 501(c)(7), (9), and (17) organizations; those allocable to interest, annuities, royalties, and rents received from “controlled organizations” (see definition of Income from Controlled Organizations); those allocable to “exploited exempt activity income” other than advertising; direct advertising costs; compensation of officers, directors, and trustees; salaries and wages; repairs and maintenance; bad debts; interest; taxes and licenses; depreciation (unless deducted elsewhere); depletion; contributions to deferred compensation plans; contributions to employee benefit plans; the “net operating loss deduction”; and “other deductions.” Tax-exempt organizations with gross unrelated business income above \$10,000 were required to report each deduction component separately. Organizations with gross unrelated business income between \$1,000 (the filing threshold) and \$10,000 reported a single total of the first five types of directly-connected expenses listed above (those described as “allocable to”) and a single total for all other types of deductions (both deductions directly connected with unrelated business income and those not directly connected, each defined elsewhere in this section), except for two items that were required to be reported separately: the “net operating loss deduction” (directly connected) and the “specific deduction” (not directly connected), both also defined below.

Deductions not directly connected with unrelated business income—The component deductions were “set-asides,” “excess exempt expenses,” charitable contributions, and the “specific deduction.” The specific deduction was reported, when applicable, by all organizations with positive taxable income; the other types of deductions not directly connected with unrelated business income were reported separately, when applicable, only by tax-exempt organizations

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with gross unrelated business income above \$10,000. (See, also, the explanations of Set-asides, Excess exempt expenses, Contributions, and the Specific deduction.)

Excess exempt expenses—The two types of “excess” expenses allowed as deductions from unrelated business income were (1) excess exempt expenses attributable to commercial exploitation of exempt activities, and (2) excess exempt expenses attributable to advertising income. In the case of “exploited” exempt activity income (see the explanation of Exploited exempt activity income, except Advertising, below), if the expenses of the organization’s exempt activity exceeded the income from the exempt activity, then the excess expenses could be used to offset any positive net unrelated business income produced from exploiting the exempt activity, to the extent that it did not result in a loss. Excess expenses of one type of commercially exploited exempt activity could not be used to offset income from another type of unrelated business activity, unless both types commercially exploited the same exempt activity. In the case of excess exempt expenses attributable to advertising income, if the expenses attributable to producing and distributing the readership content of a periodical exceeded the circulation income, then the excess of readership costs over circulation income could be used to offset any net gain from advertising (gross advertising income less direct advertising costs), to the extent that it did not result in a loss.

Exploited exempt activity income, except advertising—In some cases, exempt activities create goodwill or other intangibles that are capable of being exploited in a commercial manner. When an organization exploited such an intangible in commercial activities that did not contribute importantly to the accomplishment of an exempt purpose, the income it produced was gross income from an unrelated trade or business. An example of this type of activity would be an exempt scientific organization with an excellent reputation in the field of biological research that exploits its reputation regularly by selling endorsements of laboratory equipment to manufacturers. Endorsing laboratory equipment would not have contributed importantly to the accomplishment of any purpose for which tax exemption was granted to the organization. Accordingly, the income from selling such endorsements is gross unrelated business income. Exploited exempt activity income from advertising was reported separately from other types

of exploited exempt activity income (see the explanation of Advertising income). Internal Revenue Code section 501(c)(7), (9), and (17) organizations reported income from exploited exempt activities as part of gross receipts from sales and services. All other organizations reported this income separately.

Gross profit (less loss) from sales and services—This was the gross profit (less loss) from any unrelated trade or business regularly carried on that involved the sale of goods or performance of services. Gross profit (less loss) from sales and services is computed as gross receipts from sales or services, less returns and allowances, minus cost of sales and services.

Gross unrelated business income—This was the total gross unrelated business income prior to reduction by allowable deductions used in computing unrelated business taxable income. All organizations were required to report detailed sources of gross unrelated business income. The components of gross unrelated business income were gross profit (less loss) from sales and services; capital gain net income; net gain (less loss) from sales of noncapital assets; net capital loss deduction (trusts only); income (less loss) from partnerships and S corporations; rental income; unrelated debt-financed income; investment income (less loss) of Internal Revenue Code section 501(c)(7), (9), and (17) organizations; income (annuities, interest, rents, and royalties) from controlled organizations; “exploited exempt activity” income, except advertising; advertising income; and “other” income (less loss). (For an explanation of these sources of income, see the separate explanations of each component.)

A tax-exempt organization’s income was treated as unrelated business income if it was from a trade or business that was regularly carried on by the organization and that was not substantially related to the performance of the organization’s exempt purpose or function (other than that the organization needed the profits derived from the unrelated activity). The term “trade or business” generally comprised any activities carried on for the production of income from selling goods or performing services. These activities did not lose their identity as trades or businesses merely because they were carried on within a larger aggregate of similar activities or within a larger complex of other endeavors that may, or may not, have been related to the exempt purposes of the organization. Soliciting, selling, or publishing commercial

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advertising, for example, is identified as a trade or business, even though the advertising is published in an exempt organization's periodical that contains editorial material that is related to the organization's exempt purpose.

Income from controlled organizations—When an exempt organization controlled another organization, the entire amount of gross annuities, interest, rents, and royalties (termed "specified payments") received from the controlled organization were included in the gross unrelated business income of the controlling organization. They were included only to the extent that the specified payments were claimed as a deduction from the controlled organization's own unrelated business income (in the case of an exempt controlled organization) or the "equivalent" of unrelated business income (in the case of a nonexempt controlled organization). The equivalent of unrelated business income was computed as if the nonexempt controlled organization were exempt and had the same exempt purpose as the controlling organization. "Control" meant: (a) for a stock corporation, the ownership (by vote or value) of more than 50 percent of the stock; (b) for a partnership, ownership of more than 50 percent of the profits or capital interests; or (c) for any other organization, ownership of more than 50 percent of the beneficial interests. All deductions "directly connected" with a Form 990-T filer's gross controlled-organization income were allowed. The rules for debt-financed property did not apply to passive income (generally, investment income) from controlled organizations. (See the definition of Unrelated debt-financed income.)

Income (less loss) from partnerships and S corporations—If an organization was a partner in any partnership that carried on an unrelated trade or business, this income item included the organization's share of partnership gross unrelated business income less its share of partnership deductions that were directly connected with the unrelated income. If an organization was a "qualified tax-exempt" that held stock in an S corporation, this income item included the income or loss from the stock interest. The stock interest was treated as an unrelated trade or business, and all items of income, loss, or deduction were taken into account in computing unrelated business taxable income. A "qualified tax-exempt" was an organization described in Internal Revenue Code section 401(a) (qualified stock bonus, pension, or profit-

sharing plan) or section 501(c)(3), and exempt from tax under section 501(a).

Investment income (less loss)—This income was reported only by organizations exempt under Internal Revenue Code sections 501(c)(7), (9), and (17) and included such income as gross unrelated debt-financed income, gross income from the ownership or sale of securities, and set-asides deducted from investment income in previous years that were subsequently used for a purpose other than that for which a deduction was allowed. (See, also, the explanation of Set-asides.) All gross rents (except those that were exempt-function income) from investment property of section 501(c)(7), (9), and (17) organizations were treated as unrelated business income and were reported as "rental income." Organizations exempt under sections other than 501(c)(7), (9), and (17) did not report "investment income (less loss)." Generally, these organizations' investment income (dividends, interest, rents, and annuities) and royalty income were not taxed as unrelated business income, unless it was income, other than dividends, from a controlled organization or debt-financed income, or the rents were of the type described in the explanation of rental income. (See explanations of Income from controlled organizations, Rental income, and Unrelated debt-financed income.)

Net capital loss (trusts only)—If a trust had a net loss from sales or exchanges of capital assets, it was allowed a deduction for the amount of the net loss or \$3,000, whichever was lower. (Tax-exempt corporations were not allowed to deduct any excesses of capital losses over capital gains.) Tax-exempt trusts reported the net capital loss deduction on Form 990-T as a component of gross unrelated business income, and it was subtracted when computing total gross unrelated business income.

Net gain (less loss), sales of noncapital assets—This was the gain or loss from the sale or exchange of business property, as reported on Form 4797, *Sales of Business Property*. Property other than capital assets generally included property of a business nature, in contrast to personal and investment properties, which were capital assets.

Net operating loss deduction—The net operating loss carryover or carryback (as described in Internal Revenue Code section 172) was allowed as a deduction (limited to the current-year excess of receipts over deductions, prior to applying the net operating

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loss deduction) in computing unrelated business taxable income. However, the net operating loss carryover or carryback (allowed only to or from a tax year for which the organization was subject to tax on unrelated business income) was determined without taking into account any amount of exempt-function income or deductions that had been excluded from the computation of unrelated business taxable income. A “net operating loss” represented the excess of deductions over receipts for a specified year for which an organization reported an overall deficit from its unrelated trade or business activities. The net operating loss deduction statistics in this article represent only net operating loss carryovers from prior years because carrybacks from future years would be reported in a later year on an amended return, not on the return as initially filed (which served as the basis for the statistics).

Other deductions—This included all types of unrelated business deductions that were not specifically required to be reported elsewhere on the tax return. Examples are fees for accounting, legal, consulting, or financial management services; insurance costs (if not for employee-related benefits); equipment costs; mailing costs; office expenses, such as janitorial services, supplies, or security services; rent; travel expenses; educational expenses; and utilities.

Other income (less loss)—This included all types of unrelated business income that were not specifically required to be reported elsewhere on the tax return. Examples are insurance benefit fees; member support fees; commissions; returned contributions that were deducted in prior years; income from insurance activities that was not properly set aside in prior years; recoveries of bad debts; and refunds of State or local government tax payments, if the payments were previously reported as a deduction.

Proxy tax—This was a tax on certain nondeductible lobbying and political expenditures. A membership organization that was tax-exempt under Internal Revenue Code sections 501(c)(4), 501(c)(5), or 501(c)(6) was liable for the proxy tax if the organization did not notify its members of the shares of their dues that were allocated to the nondeductible lobbying and political expenditures, or if the notice did not include the entire amount of dues that was allocated. The proxy tax was computed as 35 percent of the aggregate amount of nondeductible lobbying expenditures that was not included in the notices sent to the organization’s members. The proxy tax was required

to be reported on Form 990-T and was included in total tax; however, there was no connection between the proxy tax and the taxation of income from an organization’s unrelated business activities.

Rental income—For organizations tax exempt under Internal Revenue Code sections other than 501(c)(7), (9), and (17), this was the amount of (1) gross rents from personal property (e.g., computer equipment or furniture) leased with real property, if the rental income from the personal property was more than 10 percent, but not more than 50 percent, of the total rents from all leased property; or (2) gross rents from both real property and personal property leased with real property if the personal property was more than 50 percent of the total rents from all leased property. Except for the second situation described above, gross rents from real property were generally excluded in computing unrelated business taxable income. In addition, gross rents from personal property that did not exceed 10 percent of the total rents from all leased property were not included in gross unrelated business income. Any rents not covered by the explanation of “rental income” had to be considered in terms of their taxability as unrelated business income from controlled organizations or unrelated debt-financed income, in that order. For organizations tax-exempt under sections 501(c)(7), (9), and (17), rental income included all gross rents (except those that were exempt-function income), with no exclusions. (See explanations of Income from controlled organizations and Unrelated debt-financed income.)

Set-asides—This deduction from investment income was allowed to social and recreational clubs (Internal Revenue Code section 501(c)(7)), voluntary employees’ beneficiary associations (section 501(c)(9)), and supplemental unemployment benefit trusts (section 501(c)(17)). The deduction was equal to the amount of passive income (generally, investment income) that these organizations set aside (1) to be used for charitable purposes or (2) to provide payment of life, health, accident, or other insurance benefits (section 501(c)(9) and (17) organizations only). However, any amounts set aside that exceeded the “qualified asset account” limit, as figured under section 419A, were not allowed as a deduction from unrelated business investment income; they were treated as taxable investment income. A section 419A qualified asset account is any account consisting of assets set aside to provide for the payment of

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disability benefits, medical benefits, severance pay benefits, or life insurance benefits.

Specific deduction—The specific deduction was \$1,000 or the amount of positive taxable income, whichever was less. The amount deducted was considered “not directly connected” with gross unrelated business income and was allowed to all organizations that had positive taxable income after all other types of deductions were taken. This deduction provided the equivalent benefit of the \$1,000 gross unrelated business income filing threshold under which some organizations were exempted from filing a return and paying the unrelated business income tax. (See, also, the explanation of Deductions not directly connected with unrelated business income.)

Total Deductions—Total deductions included both deductions reported on the main part of Form 990-T and expense items reported on any of six supporting schedules, which were also part of the tax form. It excluded cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit (less loss) from sales and services, which is a component of gross unrelated business income. (See the explanation of Cost of sales and services.)

Total tax—Total tax was unrelated business income tax less the foreign tax credit, general business credit, credit for prior-year minimum tax, and other allowable credits, plus the “proxy tax” on certain lobbying and political expenditures, the “alternative minimum tax,” and “other” taxes.

Unrelated business activity—A business activity is considered unrelated if it does not contribute importantly (other than the production of funds) to accomplishing an organization’s charitable, educational, or other purpose that is the basis for the organization’s tax exemption. In determining whether activities contribute importantly to the accomplishment of an exempt purpose, the size, extent, and nature of the activities involved must be considered in relation to the size, extent, and nature of the exempt function that they intend to serve. To the extent an activity is conducted on a scale larger than is reasonably necessary to perform an exempt purpose, it does not contribute importantly to the accomplishment of the exempt purpose. The part of the activity that is more than needed to accomplish the exempt purpose is an unrelated trade or business. Whether an activity contributes importantly depends in each case on the facts involved. See IRS Publication 598, *Tax on*

Unrelated Business Income of Exempt Organizations, for additional information on unrelated business income and tax.

The following is a case example from Publication 598. An American folk art museum operates a shop in the museum that sells reproductions of works in the museum’s own collection and also works from the collections of other art museums. In addition, the museum sells souvenir items of the city where the museum is located. The sale of the reproductions, regardless of which museum houses the original works, is considered to be “related” because it contributes importantly to the achievement of the museum’s exempt educational purpose by making works of art familiar to a broader segment of the public, thereby enhancing the public’s understanding and appreciation of art. However, the sale of souvenir items depicting the city in which the museum is located is considered to be “unrelated” because it has no causal relationship to art or to artistic endeavor, and, therefore, does not contribute importantly to the accomplishment of the museum’s exempt educational purposes.

Unrelated business income—See definition of gross unrelated business income.

Unrelated business income tax—This was the tax imposed on unrelated business taxable income. It was determined based on the regular corporate or trust income tax rates that were in effect for the 2007 Tax Year, as shown in the following schedules. Trusts that were eligible for the maximum 28 percent tax rate on capital gain net income figured their tax based on Schedule D of Form 1041, *U.S. Income Tax Return for Estates and Trusts*.

Tax Rates for Corporations

Amount of unrelated business taxable income is:

Over—	But not over—	Tax is:	Of the amount over—
\$ 0	\$50,000	+ 15%	\$ 0
50,000	75,000	\$7,500 + 25%	50,000
75,000	100,000	13,750 + 34%	75,000
100,000	335,000	22,250 + 39%	100,000
335,000	10,000,000	113,900 + 34%	335,000
10,000,000	15,000,000	3,400,000 + 35%	10,000,000
15,000,000	18,333,333	5,150,000 + 38%	15,000,000
18,333,333	0	35%	0

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Tax Rates for Trusts

Amount of unrelated business taxable income is:

Over—	But not over—	Tax is:	Of the amount over—
\$ 0	\$2,150	+ 15%	\$ 0
2,150	5,000	\$322.50 + 25%	2,150
5,000	7,650	1,035.50 + 28%	5,000
7,650	10,450	1,777.00 + 33%	7,650
10,450	—	2,701 + 35%	10,450

Unrelated business taxable income (less deficit) (referenced as Net unrelated business taxable income)—This was gross income derived from any unrelated trade or business regularly carried on by an exempt organization, less deductions directly connected with carrying on the trade or business and less other allowable deductions not directly connected. On a return-by-return basis, the result of this computation was either positive (unrelated business taxable income), negative (deficit), or zero. Taxable income was subject to the unrelated business income tax. (See, also, explanations of Deductions directly connected with unrelated business income and Deductions not directly connected with unrelated business income.)

Unrelated debt-financed income—Gross income from investment property for which acquisition in-

debt was outstanding at any time during the tax year was subject to the unrelated business income tax. The percentage of investment income to be included as gross unrelated business income was proportional to the ratio of average acquisition indebtedness to the average adjusted basis of the property. Various types of passive income (generally, investment income) were considered to be unrelated debt-financed income, but only if the income arose from property acquired or improved with borrowed funds and if the production of income was unrelated to the organization's tax-exempt purpose. When any property held for the production of income by an organization was disposed of at a gain during the tax year, and there was acquisition indebtedness outstanding at any time during the 12-month period prior to the date of disposition, the property was considered debt-financed property, and the gain was treated as unrelated debt-financed income. Income from debt-financed property did not include rents from personal property (e.g., computers or furniture) leased with real property, certain passive income (generally, investment income) from controlled organizations, and other amounts that were otherwise included in computing unrelated business taxable income. Internal Revenue Code section 501(c)(7), (9), and (17) organizations reported all debt-financed income as "Investment income (less loss)." All other organizations reported debt-financed income separately.

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Table 1. Unrelated Business Income Tax Returns: Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income (Less Deficit), Unrelated Business Taxable Income, and Total Tax, by Type of Tax-Exempt Organization, Tax Year 2007

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

Type of tax-exempt organization, as defined by Internal Revenue Code section	Number of returns	Gross unrelated business income (UBI)	Total deductions [1,2]	
			Number of returns	Amount
	(1)	(2)	(3)	(4)
All organizations	45,069	11,682,909	44,877	10,254,953
220(e) Archer Medical Savings Accounts	0	0	0	0
401(a) Qualified pension, profit-sharing, or stock bonus plans	745	470,945	723	126,433
408(e) Traditional Individual Retirement Arrangements	7,939	87,160	7,900	15,908
408(A) Roth Individual Retirement Arrangements	d	d	d	d
501(c)(2) Title-holding corporations for exempt organizations [6]	340	57,852	340	40,901
501(c)(3) Religious, educational, charitable, scientific, or literary organizations	14,312	6,809,968	14,309	6,536,113
501(c)(4) Civic leagues and social welfare organizations	1,646	547,631	1,646	543,685
501(c)(5) Labor, agricultural, and horticultural organizations	2,172	273,407	2,172	264,553
501(c)(6) Business leagues, chambers of commerce, and real estate boards	5,722	1,086,862	5,722	1,040,140
501(c)(7) Social and recreational clubs	6,596	665,582	6,596	589,492
501(c)(8) Fraternal beneficiary societies and associations	994	63,239	962	61,849
501(c)(9) Voluntary employees' beneficiary associations	705	1,031,660	673	422,320
501(c)(10) Domestic fraternal beneficiary societies and associations	280	21,231	280	22,363
501(c)(11) Teachers' retirement fund associations	0	0	0	0
501(c)(12) Benevolent life insurance associations and certain mutual companies	268	83,420	268	77,510
501(c)(13) Cemetery companies	121	2,699	121	2,821
501(c)(14) State-chartered credit unions	1,390	298,678	1,359	326,234
501(c)(15) Mutual insurance companies	0	0	0	0
501(c)(16) Corporations organized to finance crop operations	0	0	0	0
501(c)(17) Supplemental unemployment benefit trusts	0	0	0	0
501(c)(18) Employee-funded pension trusts	0	0	0	0
501(c)(19) War veterans' posts or organizations	1,770	169,163	1,738	173,219
501(c)(21) Black Lung Benefit Trusts [7]	0	0	0	0
501(c)(22) Withdrawal liability payment funds	0	0	0	0
501(c)(23) Veterans' associations founded before 1880	0	0	0	0
501(c)(24) Trusts described in section 4049 of Employee Retirement Income Security Act	0	0	0	0
501(c)(25) Title-holding companies with no more than 35 shareholders	0	0	0	0
501(c)(26) High-risk health insurance plans	0	0	0	0
501(c)(27) Workers' compensation reinsurance plans	d	d	d	d
529(a) Qualified State Tuition Plans	0	0	0	0
530(a) Coverdell Education Savings Accounts	0	0	0	0
Not Allocable	d	d	d	d

Footnotes at end of table.

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Table 1. Unrelated Business Income Tax Returns: Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income (Less Deficit), Unrelated Business Taxable Income, and Total Tax, by Type of Tax-Exempt Organization, Tax Year 2007—Continued

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

Type of tax-exempt organization, as defined by Internal Revenue Code section	Unrelated business taxable income (less deficit) [3]		Unrelated business taxable income [4]		Total tax [5]	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(5)	(6)	(7)	(8)	(9)	(10)
All organizations	36,635	1,427,956	23,796	2,316,677	23,614	594,126
220(e) Archer Medical Savings Accounts	0	0	0	0	0	0
401(a) Qualified pension, profit-sharing, or stock bonus plans	726	344,512	695	350,919	693	71,724
408(e) Traditional Individual Retirement Arrangements	7,586	71,252	7,394	72,118	7,298	17,989
408(A) Roth Individual Retirement Arrangements	d	d	d	d	d	d
501(c)(2) Title-holding corporations for exempt organizations [6]	289	16,951	231	20,976	212	6,744
501(c)(3) Religious, educational, charitable, scientific, or literary organizations	11,291	273,855	5,741	903,615	5,730	276,895
501(c)(4) Civic leagues and social welfare organizations	1,255	3,946	562	28,999	559	8,802
501(c)(5) Labor, agricultural, and horticultural organizations	1,608	8,854	839	24,791	821	6,373
501(c)(6) Business leagues, chambers of commerce, and real estate boards	3,875	46,722	1,982	109,048	2,091	31,884
501(c)(7) Social and recreational clubs	5,538	76,090	4,048	115,292	3,960	27,708
501(c)(8) Fraternal beneficiary societies and associations	806	1,391	429	5,954	429	1,419
501(c)(9) Voluntary employees' beneficiary associations	478	609,340	448	643,832	415	134,392
501(c)(10) Domestic fraternal beneficiary societies and associations	171	-1,131	40	774	40	177
501(c)(11) Teachers' retirement fund associations	0	0	0	0	0	0
501(c)(12) Benevolent life insurance associations and certain mutual companies	187	5,910	108	8,395	108	2,381
501(c)(13) Cemetery companies	115	#REF!	96	496	96	74
501(c)(14) State-chartered credit unions	1,279	-27,555	494	21,142	490	5,559
501(c)(15) Mutual insurance companies	0	0	0	0	0	0
501(c)(16) Corporations organized to finance crop operations	0	0	0	0	0	0
501(c)(17) Supplemental unemployment benefit trusts	0	0	0	0	0	0
501(c)(18) Employee-funded pension trusts	0	0	0	0	0	0
501(c)(19) War veterans' posts or organizations	1,398	-4,056	655	8,328	638	1,449
501(c)(21) Black Lung Benefit Trusts [7]	0	0	0	0	0	0
501(c)(22) Withdrawal liability payment funds	0	0	0	0	0	0
501(c)(23) Veterans' associations founded before 1880	0	0	0	0	0	0
501(c)(24) Trusts described in section 4049 of Employee Retirement Income Security Act	0	0	0	0	0	0
501(c)(25) Title-holding companies with no more than 35 shareholders	0	0	0	0	0	0
501(c)(26) High-risk health insurance plans	0	0	0	0	0	0
501(c)(27) Workers' compensation reinsurance plans	d	d	d	d	d	d
529(a) Qualified State Tuition Plans	0	0	0	0	0	0
530(a) Coverdell Education Savings Accounts	0	0	0	0	0	0
Not Allocable	d	d	d	d	d	d

d—Data deleted to avoid disclosure of information for specific taxpayers. However, data are included in the appropriate totals.

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For all exempt organizations reporting gross UBI, cost of sales and services was \$2.6 billion.

[2] Includes both expenses and deductions reported on Form 990-T, lines 13(B), 29, 31, and 33.

[3] Excludes data from 8,434 returns with equal amounts of gross UBI and total deductions.

[4] Includes data from returns with positive amounts of unrelated business taxable income only.

[5] Total tax is the regular unrelated business income tax after reduction by any tax credits (foreign tax credit, general business credit, prior-year minimum tax credit, and other allowable credits), plus the "alternative minimum tax," the "proxy" tax on nondeductible lobbying and political expenditures, and "other" taxes. The proxy tax was reported on Form 990-T and was included in total tax, but it had no connection to the tax on unrelated business income or an organization's involvement in unrelated business activities. For exempt organizations reporting gross UBI above the \$1,000 filing threshold, total proxy tax was \$1.7 million.

[6] Corporations that are organized under an Act of Congress and are instrumentalities of the United States, described in section 501(c)(1) of the Internal Revenue Code, are not subject to unrelated business income taxation.

[7] Prepaid legal service funds, previously described in section 501(c)(20) of the Internal Revenue Code, were no longer tax-exempt, beginning with tax years after June 30, 1992. Therefore, these organizations are not listed in this table.

NOTE: Detail may not add to totals because of rounding. For more complete descriptions of the types of tax-exempt organizations filing Form 990-T, by the Internal Revenue Code section describing them, see the Appendix to the most recent Unrelated Business Income Tax (UBIT) article listed under Publications and Papers on the Exempt Organizations' UBIT Statistics page of the IRS website (<http://www.irs.gov/taxstats/charitablestats/article/0,,id=97210,00.html>).

Unrelated Business Income Tax Returns, 2007

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Table 2. Unrelated Business Income Tax Returns: Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income (Less Deficit), Unrelated Business Taxable Income, and Total Tax, by Size of Gross UBI, Tax Year 2007

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

Size of gross unrelated business income (UBI)	Number of returns	Gross unrelated business income (UBI)	Total deductions [1,2]		Unrelated business taxable income (less deficit) [3]		Unrelated business taxable income [4]		Total tax [5]	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Total	45,069	11,682,909	44,877	10,254,953	36,635	1,427,956	23,796	2,316,677	23,614	594,126
\$1,000 under \$10,001 [6]	19,938	81,715	19,777	76,656	16,569	5,059	12,620	28,742	12,422	4,849
\$10,001 under \$100,000 [6]	14,927	653,653	14,907	614,365	11,857	39,289	6,744	148,190	6,742	28,486
\$100,000 under \$500,000	6,932	1,529,412	6,923	1,467,400	5,582	62,012	2,959	245,708	2,927	63,327
\$500,000 under \$1,000,000	1,467	1,019,230	1,466	961,450	1,209	57,780	696	161,440	696	47,114
\$1,000,000 under \$5,000,000	1,431	2,990,724	1,430	2,767,664	1,125	223,059	607	511,844	636	150,498
\$5,000,000 or more	374	5,408,175	373	4,367,418	293	1,040,757	171	1,220,754	191	299,852

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For all exempt organizations reporting gross UBI, cost of sales and services was \$2.6 billion.

[2] Includes both expenses and deductions reported on Form 990-T, lines 13(B), 29, 31, and 33.

[3] Excludes data from 8,434 returns with equal amounts of gross UBI and total deductions.

[4] Includes data from returns with positive amounts of unrelated business taxable income only.

[5] Total tax is the regular unrelated business income tax after reduction by any tax credits (foreign tax credit, general business credit, prior-year minimum tax credit, and other allowable credits), plus the "alternative minimum tax," the "proxy" tax on nondeductible lobbying and political expenditures, and "other" taxes. The proxy tax was reported on Form 990-T and was included in total tax; however, it had no connection to the tax on unrelated business income or an organization's involvement in unrelated business activities. For exempt organizations reporting gross UBI above the \$1,000 filing threshold, total proxy tax was \$1.7 million.

[6] The gross unrelated business income (UBI) brackets of "\$1,000 under \$10,001" and "\$10,001 under \$100,000" reflect the different filing requirements for organizations with gross UBI of \$10,000 or less (not required to report itemized expenses and deductions, or to complete return schedules) and all other Form 990-T filers (required to file a more detailed "complete" return). Organizations with gross UBI below \$1,000 were not required to file Form 990-T.

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

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Table 3. Unrelated Business Income Tax Returns: Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income (Less Deficit), and Total Tax, by Size of Unrelated Business Taxable Income or Deficit, Tax Year 2007

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

Size of unrelated business taxable income or deficit	Number of returns	Gross unrelated business income (UBI)	Total deductions [1,2]		Unrelated business taxable income (less deficit)		Total tax [3]	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Total	45,069	11,682,909	44,877	10,254,953	36,635	1,427,956	23,614	594,126
Deficit	12,838	3,781,222	12,838	4,669,944	12,838	-888,721	34	1,308
Zero [4]	8,434	2,550,770	8,434	2,550,770	[4] 0	[4] 0	185	3,332
\$1 under \$1,000	5,359	40,939	5,359	38,575	5,359	2,365	5,204	343
\$1,000 under \$10,000	9,972	283,093	9,812	244,625	9,972	38,468	9,839	6,214
\$10,000 under \$100,000	6,532	1,012,406	6,512	791,879	6,532	220,527	6,437	41,162
\$100,000 under \$500,000	1,366	936,651	1,357	644,667	1,366	291,984	1,356	86,669
\$500,000 under \$1,000,000	243	449,787	242	277,479	243	172,307	240	51,424
\$1,000,000 or more	324	2,628,041	322	1,037,015	324	1,591,026	319	403,673

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For all exempt organizations reporting gross UBI, cost of sales and services was \$2.6 billion.

[2] Includes both expenses and deductions reported on Form 990-T, lines 13(B), 29, 31, and 33.

[3] Total tax is the regular unrelated business income tax after reduction by any tax credits (foreign tax credit, general business credit, prior-year minimum tax credit, and other allowable credits), plus the "alternative minimum tax," the "proxy" tax on nondeductible lobbying and political expenditures, and "other" taxes. The proxy tax was reported on Form 990-T and was included in total tax; however, it had no connection to the tax on unrelated business income or an organization's involvement in unrelated business activities. For exempt organizations reporting gross UBI above the \$1,000 filing threshold, total proxy tax was \$1.7 million.

[4] The Zero category includes 8,434 returns with equal amounts of gross unrelated business income and total deductions.

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

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Table 4. Unrelated Business Income Tax Returns: Returns with Positive Unrelated Business Taxable Income: Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income, and Total Tax, by Type of Entity and Size

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

Type of entity and size of gross unrelated business income (UBI)	Number of returns	Gross unrelated business income (UBI)	Total deductions [1,2]		Unrelated business taxable income [4]	Total tax [3]	
			Number of returns	Amount		Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
ALL ENTITIES							
Total	23,796	5,350,917	23,604	3,034,240	2,316,677	23,395	589,485
\$1,000 under \$10,001 [4]	12,620	46,732	12,460	17,991	28,742	12,389	4,571
\$10,001 under \$100,000 [4]	6,744	291,738	6,723	143,548	148,190	6,685	28,076
\$100,000 under \$500,000	2,959	667,703	2,950	421,996	245,708	2,871	63,148
\$500,000 under \$1,000,000	696	483,745	695	322,306	161,440	682	46,981
\$1,000,000 under \$5,000,000	607	1,259,937	606	748,093	511,844	600	150,146
\$5,000,000 or more	171	2,601,061	170	1,380,307	1,220,754	167	296,564
TAX-EXEMPT CORPORATIONS							
Total	14,567	3,901,417	14,468	2,754,306	1,147,111	14,331	343,557
\$1,000 under \$10,001 [4]	5,375	25,458	5,278	9,862	15,596	5,304	2,340
\$10,001 under \$100,000 [4]	5,400	249,319	5,398	140,764	108,555	5,342	17,108
\$100,000 under \$500,000	2,575	577,958	2,574	403,940	174,018	2,488	43,855
\$500,000 under \$1,000,000	611	422,515	611	310,905	111,610	598	34,477
\$1,000,000 under \$5,000,000	484	992,323	484	686,768	305,555	479	100,371
\$5,000,000 or more	123	1,633,843	123	1,202,066	431,777	121	145,406
TAX-EXEMPT TRUSTS							
Total	9,229	1,449,500	9,135	279,934	1,169,566	9,064	245,928
\$1,000 under \$10,001 [4]	7,246	21,274	7,181	8,128	13,146	7,085	2,231
\$10,001 under \$100,000 [4]	1,344	42,419	1,325	2,784	39,634	1,344	10,967
\$100,000 under \$500,000	384	89,745	376	18,056	71,689	384	19,293
\$500,000 under \$1,000,000	85	61,230	84	11,400	49,830	84	12,504
\$1,000,000 under \$5,000,000	123	267,614	122	61,325	206,289	121	49,775
\$5,000,000 or more	48	967,219	47	178,241	788,978	46	151,158

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For exempt organizations reporting positive unrelated business taxable income, cost of sales and services was \$8.7 million, 99 percent of which was attributable to tax-exempt corporations.

[2] Includes both expenses and deductions reported on Form 990-T, lines 13(B), 29, 31, and 33.

[3] Total tax is the regular unrelated business income tax after reduction by any tax credits (foreign tax credit, general business credit, prior-year minimum tax credit, and other allowable credits), plus the "alternative minimum tax," the "proxy" tax on nondeductible lobbying and political expenditures, and "other" taxes. The proxy tax was reported on Form 990-T and was included in total tax; however, it had no connection to the tax on unrelated business income or an organization's involvement in unrelated business activities. For exempt organizations reporting positive unrelated business taxable income, total proxy tax was \$0.5 million.

[4] The gross unrelated business income (UBI) brackets of "\$1,000 under \$10,001" and "\$10,001 under \$100,000" reflect the different filing requirements for organizations with gross UBI of \$10,000 or less (not required to report itemized expenses and deductions, or to complete return schedules) and all other Form 990-T filers (required to file a more detailed "complete" return). Organizations with gross UBI below \$1,000 were not required to file Form 990-T.

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

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Table 5. Unrelated Business Income Tax Returns: Number of Returns, Gross Unrelated Business Income (UBI), Total Deductions, Unrelated Business Taxable Income (Less Deficit), Unrelated Business Taxable Income, and Total Tax, by Primary Unrelated Business Activity or Industrial

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

Primary unrelated business activity or industrial grouping	Number of returns	Gross unrelated business income (UBI)	Total deductions [1,2]		Unrelated business taxable income (less deficit) [3]		Unrelated business taxable income [4]		Total tax [5]	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
All activities and groupings	45,069	11,682,909	44,877	10,254,953	36,635	1,427,956	23,796	2,316,677	23,614	594,126
Agriculture, forestry, hunting, and fishing	143	44,851	143	18,950	134	25,901	57	28,976	57	9,887
Mining	361	49,233	361	24,207	335	25,026	333	25,153	301	5,841
Utilities	d	d	d	d	d	d	d	d	d	d
Construction	83	46,313	83	42,439	79	3,874	77	4,194	77	1,325
Manufacturing	183	95,784	165	54,162	175	41,622	160	49,028	160	16,213
Wholesale trade	73	33,308	73	12,330	73	20,978	57	21,897	57	5,964
Retail trade	1,421	837,352	1,421	853,952	1,195	-16,600	469	52,211	473	16,403
Transportation and warehousing	30	20,089	30	11,731	30	8,358	* 6	* 9,922	* 6	* 3,362
Information	765	219,683	765	212,052	562	7,631	212	22,492	213	7,371
Finance and insurance, total	16,757	3,109,131	16,617	1,781,001	14,920	1,328,129	13,155	1,492,012	12,959	351,157
Unrelated debt-financed activities, other than rental of real estate	1,523	417,252	1,516	136,098	1,414	281,154	1,322	297,294	1,321	85,812
Investment activities of Code section 501(c)(7), (9), and (17) organizations [6]	3,893	1,185,742	3,861	540,458	3,160	645,283	2,900	679,332	2,817	142,601
Passive income activities with controlled organizations	392	224,707	392	181,986	337	42,721	285	52,249	269	10,733
Other finance and insurance	10,949	1,281,430	10,848	922,459	10,009	358,971	8,648	463,137	8,552	112,011
Real estate and rental and leasing, total	7,051	1,061,623	7,049	1,006,845	6,138	54,777	3,352	190,772	3,321	54,072
Rental of personal property	397	51,025	396	55,610	359	-4,586	156	5,817	157	1,667
Other real estate and rental and leasing	6,654	1,010,598	6,653	951,235	5,779	59,363	3,196	184,955	3,164	52,405
Professional, scientific, and technical services	8,649	2,130,697	8,649	2,127,865	5,448	2,832	2,543	147,592	2,633	43,796
Management of companies and enterprises	28	26,022	28	4,142	24	21,879	21	22,077	21	4,778
Administrative and support and waste management and remediation services	853	491,183	853	504,828	631	-13,645	260	23,342	265	7,416
Educational services	53	60,566	53	68,703	51	-8,137	* 4	* 203	* 4	* 18
Healthcare and social assistance	1,034	1,816,547	1,034	1,817,460	847	-913	434	131,962	465	43,591
Arts, entertainment, and recreation	4,143	768,838	4,143	818,343	3,169	-49,504	1,399	36,723	1,376	8,116
Accommodation and food services	2,510	651,440	2,478	680,130	2,063	-28,690	812	35,508	780	9,148
Other services	624	122,151	624	126,663	502	-4,512	281	8,326	282	1,944
Exploited exempt activities	256	82,933	256	75,828	209	7,105	143	11,392	143	3,329
Not allocable	d	d	d	d	d	d	d	d	d	d

*Estimate should be used with caution because of the small number of sample returns on which it is based.

d = Data were deleted to prevent disclosure of individual taxpayer data. However, the data are included in the appropriate totals.

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For all exempt organizations reporting gross UBI, cost of sales and services was \$2.6 billion.

[2] Includes both expenses and deductions reported on Form 990-T, lines 13(B), 29, 31, and 33.

[3] Excludes data from 8,434 returns with equal amounts of gross UBI and total deductions.

[4] Includes data from returns with positive amounts of unrelated business taxable income only.

[5] Total tax is the regular unrelated business income tax after reduction by any tax credits (foreign tax credit, general business credit, prior-year minimum tax credit, and other allowable credits), plus the "alternative minimum tax," the "proxy" tax on nondeductible lobbying and political expenditures, and "other" taxes. The proxy tax was reported on Form 990-T and was included in total tax; however, it had no connection to the tax on unrelated business income or an organization's involvement in unrelated business activities. For exempt organizations reporting gross UBI above the \$1,000 filing threshold, total proxy tax was \$1.7 million.

[6] Section 501(c)(7) organizations are social and recreational clubs; section 501(c)(9) organizations are voluntary employees' beneficiary associations; and section 501(c)(17) organizations are supplemental unemployment benefit trusts. See Table 1 for separate data on each of these organizations.

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

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Table 6. Unrelated Business Income Tax Returns: Sources of Gross Unrelated Business Income (UBI), by Size of Gross UBI, Tax Year 2006

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

Size of gross unrelated business income (UBI)	Gross unrelated business income (UBI)		Sources of gross unrelated business income (UBI)			
			Gross profit (less loss) from sales and services		Capital gain net income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Total	45,069	11,682,909	15,842	5,428,138	3,623	1,106,889
\$1,000 under \$10,001 [1]	19,938	81,715	3,770	16,877	1,871	6,613
\$10,001 or more, total [1]	25,131	11,601,194	12,073	5,411,261	1,752	1,100,276
\$10,001 under \$100,000	14,927	653,653	6,060	237,336	953	26,453
\$100,000 under \$500,000	6,932	1,529,412	3,972	741,487	474	71,866
\$500,000 under \$1,000,000	1,467	1,019,230	928	517,404	96	53,005
\$1,000,000 under \$5,000,000	1,431	2,990,724	872	1,485,818	154	182,287
\$5,000,000 or more	374	5,408,175	241	2,429,216	75	766,665
Sources of gross unrelated business income (UBI)—continued						
Size of gross unrelated business income (UBI)	Net capital loss (trusts only)		Net gain (less loss), sales of noncapital assets [2]		Income (less loss) from partnerships and S corporations	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Total	47	76	306	52,399	11,164	708,670
\$1,000 under \$10,001 [1]	0	0	97	216	7,508	16,027
\$10,001 or more, total [1]	47	76	209	52,182	3,656	692,642
\$10,001 under \$100,000	**30	**27	**139	**46,199	2,225	53,828
\$100,000 under \$500,000	**	**	**	**	749	71,199
\$500,000 under \$1,000,000	* 5	* 14	31	2,026	224	45,636
\$1,000,000 under \$5,000,000	12	36	39	3,957	312	176,524
\$5,000,000 or more	**	**	**	**	146	345,455

Footnotes at end of table.

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Table 6. Unrelated Business Income Tax Returns: Sources of Gross Unrelated Business Income (UBI), by Size of Gross UBI, Tax Year 2006—Continued

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

*Estimate should be used with caution because of the small number of sample returns on which it is based.

** Data in adjacent size classes are combined to avoid disclosure of information about specific taxpayers.

[1] The gross unrelated business income (UBI) brackets of "\$1,000 under \$10,001" and "\$10,001 or more" reflect the different filing requirements for organizations with gross UBI of \$10,000 or less (not required to report itemized expenses and deductions, or to complete return schedules) and all other Form 990-T filers (required to file a more detailed "complete" return). Organizations with gross UBI below \$1,000 were not required to file Form 990-T.

[2] Property other than capital assets generally included property of a business nature, in contrast to personal property and investment property, which were capital assets.

[3] Income from real property and personal property leased with real property.

[4] Reported by Internal Revenue Code section 501(c)(7) social and recreational clubs, section 501(c)(9) voluntary employees' beneficiary associations, and section 501(c)(17) supplemental unemployment benefit trusts only. See Table 1 for separate data on each of these organizations.

[5] Annuities, interest, rents, and royalties.

NOTE: Detail may not add to totals because of rounding

Unrelated Business Income Tax Returns, 2007

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Table 7. Unrelated Business Income Tax Returns: Types of Deductions by Size of Gross Unrelated Business Income (UBI), Tax Year 2006

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

Item	Size of gross unrelated business income						
	All		\$1,000 under \$10,001 [3]		\$10,001 under \$100,000 [3]		\$100,000 under \$500,000
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Number of returns	45,069	N/A	19,938	N/A	14,927	N/A	6,932
Total deductions	44,877	10,254,953	19,777	76,656	14,907	614,365	6,923
Organizations with gross unrelated business income (UBI) of \$1,000 under \$10,001 [3]							
Total deductions [2,4]	19,777	76,656	19,777	76,656	N/A	N/A	N/A
Net operating loss deduction	1,303	2,529	1,303	2,529	N/A	N/A	N/A
Specific deduction	13,727	13,095	13,727	13,095	N/A	N/A	N/A
Organizations with gross unrelated business income (UBI) of \$10,001 or more [3]							
Total deductions [2,5]	25,099	10,178,297	N/A	N/A	14,907	614,365	6,923
Deductions directly connected with UBI	22,617	9,374,419	N/A	N/A	12,919	576,961	6,568
Allocable to rental income [6]	1,594	187,668	N/A	N/A	1,037	33,692	350
Allocable to unrelated debt-financed income [6]	2,257	537,171	N/A	N/A	1,270	55,837	659
Allocable to investment income [6,7]	968	39,399	N/A	N/A	294	5,016	393
Allocable to income from controlled organizations [6]	397	80,076	N/A	N/A	231	8,112	73
Allocable to exploited exempt activity income, except advertising [6]	622	164,946	N/A	N/A	259	9,719	177
Direct advertising costs [6]	4,747	1,034,924	N/A	N/A	2,816	77,349	1,263
Compensation of officers, directors, and trustees	1,941	60,292	N/A	N/A	817	9,094	761
Salaries and wages	10,308	1,852,559	N/A	N/A	4,791	111,626	3,674
Repairs and maintenance	7,449	136,944	N/A	N/A	3,544	14,603	2,709
Bad debts	906	98,454	N/A	N/A	163	46	389
Interest	2,841	110,643	N/A	N/A	1,227	12,968	1,078
Taxes and licenses paid deduction	10,995	228,694	N/A	N/A	5,573	22,116	3,761
Depreciation	7,581	258,325	N/A	N/A	3,595	20,942	2,638
Depletion	133	6,228	N/A	N/A	110	654	* 7
Contributions to deferred compensation plans	1,230	15,222	N/A	N/A	371	574	531
Contributions to employee benefit programs	5,214	298,767	N/A	N/A	1,818	8,526	2,079
Net operating loss deduction	3,382	305,029	N/A	N/A	1,781	19,266	1,035
Other deductions	25,132	3,959,076	N/A	N/A	14,927	166,822	6,932
Deductions not directly connected with UBI	14,014	803,878	N/A	N/A	8,470	37,404	3,715
Specific deduction	11,820	11,395	N/A	N/A	7,268	6,947	3,084
Charitable contributions	2,460	110,586	N/A	N/A	**1,426	**6,663	633
Set-asides [7]	265	318,747	N/A	N/A	**	**	122
Excess exempt-activity expenses [8]	2,408	363,150	N/A	N/A	1,253	23,793	722

Footnotes at end of table.

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Table 7. Unrelated Business Income Tax Returns: Types of Deductions by Size of Gross Unrelated Business Income (UBI), Tax Year 2006—Continued

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

Item	Size of gross unrelated business income—continued						
	\$100,000 under \$500,000	\$500,000 under \$1,000,000		\$1,000,000 under \$5,000,000		\$5,000,000 or more	
	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Number of returns	N/A	1,467	N/A	1,431	N/A	374	N/A
Total deductions	1,467,400	1,466	961,450	1,430	2,767,664	373	4,367,418
Organizations with gross unrelated business income (UBI) of \$1,000 under \$10,001 [3]							
Total deductions [2,4]	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net operating loss deduction	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Specific deduction	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Organizations with gross unrelated business income (UBI) of \$10,001 or more [3]							
Total deductions [2,5]	1,467,400	1,466	961,450	1,430	2,767,664	373	4,367,418
Deductions directly connected with UBI	1,376,006	1,405	909,656	1,369	2,543,773	355	3,968,022
Allocable to rental income [6]	42,647	91	31,706	87	62,278	30	17,345
Allocable to unrelated debt-financed income [6]	109,463	143	62,992	146	151,336	39	157,543
Allocable to investment income [6,7]	6,076	162	5,262	109	14,816	11	8,229
Allocable to income from controlled organizations [6]	11,544	22	6,309	53	31,224	18	22,886
Allocable to exploited exempt activity income, except advertising [6]	16,106	74	24,661	91	64,060	22	50,401
Direct advertising costs [6]	164,474	276	106,998	325	264,727	67	421,375
Compensation of officers, directors, and trustees	17,267	169	8,163	145	11,980	48	13,788
Salaries and wages	327,326	834	208,379	788	550,552	220	654,677
Repairs and maintenance	32,209	548	15,169	504	35,083	143	39,881
Bad debts	2,777	123	2,557	166	14,914	65	78,160
Interest	19,801	262	13,515	204	29,404	71	34,954
Taxes and licenses paid deduction	57,973	750	28,679	701	46,552	210	73,374
Depreciation	53,060	580	30,455	589	77,046	179	76,822
Depletion	* 128	* 6	* 433	* 5	* 760	* 6	* 4,253
Contributions to deferred compensation plans	1,824	178	1,635	126	6,436	24	4,753
Contributions to employee benefit programs	29,837	549	26,030	589	118,451	180	115,923
Net operating loss deduction	40,905	212	22,802	271	69,864	83	152,192
Other deductions	442,589	1,467	313,909	1,431	994,290	374	2,041,465
Deductions not directly connected with UBI	91,394	840	51,794	768	223,891	221	399,395
Specific deduction	2,991	697	688	602	601	169	169
Charitable contributions	10,936	**196	**20,634	189	21,035	96	66,886
Set-asides [7]	22,527	**	**	50	90,434	14	190,218
Excess exempt-activity expenses [8]	54,940	168	30,473	210	111,822	55	142,123

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** Data in adjacent size classes are combined to avoid disclosure of information about specific taxpayers.

N/A—Not applicable.

[1] Excludes cost of sales and services, which was subtracted from gross receipts from sales and services in computing gross profit from sales and services. Gross profit from sales and services was a component of gross unrelated business income (UBI). Cost of sales and services can include amounts attributable to depreciation, salaries and wages, and certain other deductible items. For all exempt organizations reporting gross UBI, cost of sales and services was \$2.6 billion.

[2] Includes both expenses and deductions reported on Form 990-T, lines 13(B), 29, 31, and 33.

[3] Organizations with gross UBI between \$1,000 (the filing threshold) and \$10,000 were required to report only totals for expenses and deductions (except for the specific deduction and net operating loss deduction, which all organizations reported separately). Organizations with gross UBI over \$10,000 were required to report each expense and deduction item separately, as shown in columns 14 through 45, 48, 49, and 54 through 59.

[4] Excludes \$76.2 million of cost of sales and services reported by organizations with gross UBI of \$10,000 or less. See footnote 1 for explanation.

[5] Excludes \$2.5 billion of cost of sales and services reported by organizations with gross UBI over \$10,000. See footnote 1 for explanation.

[6] This deduction was required to be reported as a lump-sum total only and may have included component deductions that were of the same type shown elsewhere in this table. For example, if deductions "allocable to rental income" included depreciation, then that amount of depreciation would not be included in the separately reported item, "depreciation." Therefore, the total amount shown for some of the separately reported deductions may be understated.

[7] Reported by Internal Revenue Code section 501(c)(7) social and recreational clubs, section 501(c)(9) voluntary employees' beneficiary associations, and section 501(c)(17) supplemental unemployment benefit trusts only. See Table 1 for separate data on each of these organizations.

[8] Includes excess exempt-activity expenses from Form 990-T, Schedule I, and excess readership costs from Form 990-T, Schedule J.

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

Domestic Private Foundations, Tax Years 2003–2007

by Cynthia Belmonte and Melissa Ludlum

The private foundation segment of the tax-exempt sector experienced modest growth between Tax Years 2003 and 2007.¹ Over this time period, the number of private foundations increased 10.8 percent to 84,613, and the fair market value of total assets held by private foundations increased, in real terms, by 21.7 percent.² Private foundations provided approximately \$163.7 billion in contributions, gifts, and grants to charitable initiatives during these tax years.

Foundations are tax-exempt under Internal Revenue Code (IRC) section 501(c)(3). They are required to file the information return, Form 990-PF, *Return of Private Foundation or Section 4947(a)(1) Nonexempt Charitable Trust Treated as a Private Foundation*, annually. The Statistics of Income (SOI) Division conducts an annual study of private foundations based on the information returns filed with the Internal Revenue Service (IRS). The SOI data are estimates based on a sample of Forms 990-PF selected to represent the entire filing population for a given tax year. This article presents data for domestic private foundations—private foundations organized in the United States—for Tax Years 2003 through 2007.

Tax Definitions and Organizational Structure

Religious, charitable, scientific, educational, and certain other organizations are exempt from federal income tax under IRC section 501(c)(3). Most tax-exempt organizations are hospitals, schools,

churches, and organizations that receive broad support from the general public. Many of these types of tax-exempt organizations file Form 990, *Return of Organization Exempt from Income Tax*, or Form 990-EZ, the short version of this information return.³ Several characteristics distinguish a private foundation from other types of tax-exempt organizations, including its narrow sphere of support and control. A private foundation may be organized as a corporation, association, or trust. Typically, a private foundation is funded by a small number of private donors. Additionally, control of the private foundation is generally limited to an individual, family, or corporation.

Depending upon the type of charitable support that a private foundation provides, it may be classified as either “nonoperating” or “operating.”⁴ A nonoperating foundation supports charitable programs indirectly, providing grants to other charitable organizations, rather than operating programs of its own. In contrast, an operating foundation generally spends its income on direct, active involvement in a tax-exempt, charitable activity, such as operating a library or museum, providing housing or healthcare, or conducting scientific research. In order to qualify as operating, a foundation must meet both an “income test” and one of three other tests: an “assets test,” an “endowment test,” or a “support test.”⁵

Private foundations are typically supported and controlled by an individual, family, or corporation. Because they are not directly accountable to the public, private foundations are subject to greater federal regulation than other tax-exempt organizations. For example, private foundations are prohibited from accumulating net income, and nonoperating foundations are required annually to distribute 5 percent of the net value of their investment assets, after

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¹ A tax year includes all accounting periods beginning in its corresponding calendar year—e.g., Tax Year 2007 includes all accounting periods beginning in Calendar Year 2007 and thus ending between December 2007 and November 2008.

² Dollar values were adjusted for inflation using the 2005 chain-type price index for Gross Domestic Product (GDP) as reported by the U.S. Department of Commerce, Bureau of Economic Analysis. Inflation-adjusted money amounts were calculated in 2007 constant dollars and are referred to in this article as “constant dollars” or “real dollars.”

³ For additional discussion of organizations other than private foundations that are tax-exempt under Internal Revenue Code section 501(c)(3), see Arnsberger, Paul and Mike Graham, “Charities and Other Tax-Exempt Organizations, 2007,” *Statistics of Income Bulletin*, fall 2010.

⁴ An organization’s status as a nonoperating or operating foundation was indicated on Form 990-PF, Part VII, line 9.

⁵ A foundation could qualify as operating under the income requirement if it spent at least 85 percent of the lesser of its “minimum investment return” or “adjusted net income” on the direct, active conduct of tax-exempt, charitable activities. Adjusted net income represented the amount of income from charitable functions, investment activities, set-asides, unrelated business activities, and short-term capital gains that exceeded the cost incurred in earning the income and was calculated in Part I, Column (c) of Form 990-PF for operating foundations. To meet the assets test, a foundation had to use 65 percent or more of its assets directly for the active conduct of charitable activities. To meet the endowment test, a foundation regularly had to make distributions for the active conduct of charitable activities in an amount not less than two thirds of its “minimum investment return.” To meet the support test, a foundation regularly had to receive substantially all of its support (other than from gross investment income) from the public or from five or more qualifying exempt organizations, and (a) no more than 25 percent of its support (other than from gross investment income) from any one such qualifying exempt organization; and (b) no more than 50 percent of its support from gross investment income. See “Operating Foundations” in the *Explanation of Selected Terms* section for additional information.

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certain adjustments. To report their compliance with these regulations, foundations are required to file Form 990-PF annually. The Tax Reform Act of 1969 (TRA69) established taxes specific to private foundations and was the basis for IRC sections 4940–4945. IRC section 4940 includes an excise tax on “net investment income,” which consists of income received only from investments that are unrelated to a foundation’s charitable purpose. This tax, which is reported annually on Form 990-PF, applies to all nonoperating foundations and to most operating foundations that earn net investment income. IRC sections 4941–4945 outline taxes imposed on foundations that engage in activities that are considered to be contrary to the public interest. IRC section 4941 details taxable acts of “self-dealing,” which are defined as financial transactions with foundation officers, directors, trustees, substantial contributors, or “other disqualified persons.” Additionally, nonoperating foundations that fail to distribute the minimum amount for charitable purposes are subject to an excise tax under IRC section 4942. Excess business holdings, certain high-risk investments, and various prohibited expenditures, such as those made for legislative or political purposes, are taxable under IRC sections 4943–4945. Taxes on the activities de-

scribed in IRC sections 4941–4945 are reported separately on Form 4720, *Return of Certain Excise Taxes on Charities and Other Persons Under Chapters 41 and 42 of the Internal Revenue Code*, and are not included in this article.⁶

Tax Years 2003–2007 in Brief

Between Tax Years 2003 and 2007, domestic private foundations grew in both number and size. Figure A includes selected financial data for the 5-year period. Between Tax Years 2003 and 2007, the total number of Forms 990-PF filed by domestic private foundations increased 10.8 percent, from 76,348 to 84,613. Over the same period, the aggregate fair market value of total assets held by these organizations increased 21.7 percent, after adjusting for inflation, to \$652.4 billion for Tax Year 2007. Overall, the aggregate fair market value of total assets showed a 5.1 percent average annual rate of growth throughout the period.

Domestic private foundations experienced strong revenue growth during this period. In real terms, total revenue reported by domestic private foundations nearly doubled in size, from \$54.6 billion for Tax Year 2003 to \$107.3 billion for Tax Year 2007, or 18.5 percent per year, on average.

Figure A

Domestic Private Foundations: Selected Financial Items in Current and Constant Dollars, Tax Years 2003–2007

[Money amounts are in millions of dollars]

Tax year	Number of returns	Fair market value of total assets [1]		Total revenue		Disbursements for charitable purposes		Contributions, gifts, and grants paid	
		Current dollars	Constant dollars	Current dollars	Constant dollars	Current dollars	Constant dollars	Current dollars	Constant dollars
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Tax Year 2003	76,348	474,952	536,221	48,391	54,633	31,058	35,065	26,667	30,107
Tax Year 2004	76,897	509,924	559,896	58,668	64,417	32,125	35,273	27,625	30,332
Tax Year 2005	79,535	545,938	579,786	76,365	81,100	37,017	39,312	31,856	33,831
Tax Year 2006	81,850	616,246	634,117	94,107	96,836	40,686	41,866	34,932	35,945
Tax Year 2007	84,613	652,441	652,441	107,304	107,304	49,177	49,177	42,578	42,578
Average annual rate of growth	2.6	8.3	5.1	22.2	18.5	12.4	9.0	12.6	9.2

[1] The total assets and other investments amounts differ from those previously published for Tax Year 2006. These amounts have been revised to avoid overstating \$29.6 billion in joint assets reported by The Bill and Melinda Gates Foundation and The Bill and Melinda Gates Foundation Trust. This amount, reported as “other investments” by the foundation, represented the foundation’s interest in the Bill and Melinda Gates Foundation Trust.

NOTE: Amounts labeled “constant dollars” have been adjusted for inflation based on the 2005 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Inflation-adjusted money amounts were calculated in 2007 constant dollars.

⁶ Information on excise taxes paid under IRC section 4940 and reported on Form 990-PF, as well as tabulations for excise taxes paid under IRC sections 4941–4945 and reported on Form 4720, are available via the Internet at <http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html>.

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Total disbursements for charitable purposes, which are outlays that private foundations make exclusively in support of their tax-exempt purposes, increased 40.2 percent between Tax Years 2003 and 2007, from \$35.1 billion to \$49.2 billion. Contributions, gifts, and grants were the major component of these types of expenses, accounting for over 85.0 percent of total disbursements for each of the tax years in the period.⁷ These distributions increased at a real rate of growth of 9.2 percent per year between Tax Years 2003 and 2007.⁸

Composition of Filers

Figure B presents financial data for each of Tax Years 2003 through 2007, by asset-size class, for all foundations, and for nonoperating and operating foundations, separately. Foundations were assigned to asset-size classes based on the reported current dollar end-of-year fair market value of total assets for each tax year. A comparison of returns that were included in the sample for 2 consecutive tax years showed that the vast majority of returns remained in the same asset size class for both years. For each of the 5 years in the study period, between 96.6 and 97.8 percent of private foundations remained in the same asset-size class as in the previous Tax Year. The deflator for Gross Domestic Product, as published by the Bureau of Economic Analysis, increased by 12.9 percent over the period, indicating moderate inflation.

Nonoperating foundations conduct the majority of financial activity that is attributable to private foundations. Typically, nonoperating foundations account for over 90.0 percent of Forms 990-PF filed by domestic private foundations, and they hold a similar proportion of the aggregate fair market value of total assets. Nonoperating foundations also earn the majority of total revenue and, because of their legal requirement to make charitable distributions, account for nearly all of the contributions, gifts, and grants reported each year.

The distributions of returns filed, fair market value of total assets held, revenue earned, and disbursements for charitable purposes and contributions, gifts, and grants distributed, by asset size-class, were nearly the same for Tax Year 2007 as for Tax

Year 2003. Large foundations, those holding more than \$50 million in fair market value of total assets, represented 1.8 percent of all returns filed for Tax Year 2007—approximately the same percentage of filings that they represented for Tax Year 2003. The percentage of total returns filed by small foundations, those holding less than \$1 million in fair market value of total assets, decreased each year, from 68.4 percent for Tax Year 2003 to 63.8 percent for Tax Year 2007. This was accompanied by a corresponding increase in returns filed by medium foundations, those holding between \$1 and \$50 million in fair market value of total assets, from 30.1 percent of total returns filed for Tax Year 2003 to 34.4 percent for Tax Year 2007.

The proportion of the aggregate fair market value of total assets held by organizations in each asset-size class for Tax Year 2007 was virtually the same as that reported for Tax Year 2003. Although large organizations filed only 1.7 percent of all domestic private foundation returns, on average, for the period, they held an average of 69.0 percent of the aggregate fair market value of total assets. In contrast, small organizations, which filed two-thirds of all returns, on average, for the period, held less than 3.0 percent of the aggregate fair market value of total assets each year during the 5-year period.

Although small foundations earned only 5.1 percent of total revenue and held an even smaller percentage of the aggregate fair market value of total assets for Tax Year 2007, they made 11.2 percent of disbursements for charitable purposes and 10.0 percent of contributions, gifts, and grants for that year. Large foundations reported earning more than half of the total revenue reported by domestic private foundations for each of Tax Years 2003 through 2007 and reported making more than half the total values of disbursements for charitable purposes and of contributions, gifts, and grants.

Asset Values and Their Significance

The overall value of assets held by a private foundation, particularly those held for investment purposes, can play a major role in the foundation's ability to make distributions for charitable purposes. For

⁷ Disbursements for charitable purposes were reported separately from investment expenses and were required to be calculated as actual disbursements, on a cash basis.

⁸ Complete information on Forms 990-PF filed by both private foundations and section 4947(a)(1) nonexempt charitable trusts for Tax Year 2007, as well as additional data for previous tax years, may be accessed via the Internet at <http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html>.

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Figure B

Domestic Private Foundations: Selected Financial Items, by Asset-Size Class and Operating Status, in Constant Dollars, Tax Years 2003–2007

[Money amounts are in millions of dollars]

Tax year	Asset size [1]	All foundations					Nonoperating foundations		
		Number of returns	Fair market value of total assets	Total revenue	Disbursements for charitable purposes	Contributions, gifts, and grants paid	Number of returns	Fair market value of total assets	Total revenue
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Tax Year 2003	Total	76,348	536,221	54,633	35,065	30,107	70,004	492,579	49,998
	Small foundations	52,233	14,139	3,004	2,972	2,463	47,607	13,168	2,619
	Medium foundations	22,982	156,564	20,310	12,813	11,140	21,366	145,277	18,330
	Large foundations	1,133	365,517	31,319	19,280	16,503	1,031	334,134	29,049
Tax Year 2004	Total	76,897	559,896	64,417	35,273	30,332	70,613	515,389	59,371
	Small foundations	51,414	14,076	3,492	2,747	2,061	46,782	13,133	3,102
	Medium foundations	24,250	163,876	24,061	12,854	11,328	22,701	152,399	21,877
	Large foundations	1,233	381,944	36,864	19,673	16,943	1,130	349,857	34,391
Tax Year 2005	Total	79,535	579,786	81,100	39,312	33,831	72,800	533,409	73,539
	Small foundations	52,518	14,050	4,387	3,963	2,951	47,590	13,051	3,321
	Medium foundations	25,683	168,763	29,791	14,520	12,857	23,987	157,114	26,666
	Large foundations	1,334	396,973	46,921	20,829	18,023	1,224	363,244	43,551
Tax Year 2006	Total	81,850	634,117	96,836	41,866	35,945	74,364	584,621	88,695
	Small foundations	52,730	13,791	4,928	5,176	4,048	47,121	12,682	3,670
	Medium foundations	27,613	178,164	32,132	14,317	12,606	25,849	165,613	28,846
	Large foundations	1,507	442,163	59,776	22,374	19,291	1,395	406,326	56,180
Tax Year 2007	Total	84,613	652,441	107,304	49,177	42,578	77,457	601,621	99,039
	Small foundations	53,971	14,077	5,452	5,523	4,256	48,727	13,030	4,039
	Medium foundations	29,085	180,537	34,846	16,516	14,496	27,290	167,476	31,325
	Large foundations	1,557	457,828	67,006	27,137	23,826	1,440	421,115	63,675
	Asset size [1]		Nonoperating foundations			Operating foundations			
			Disbursements for charitable purposes	Contributions, gifts, and grants paid	Number of returns	Fair market value of total assets	Total revenue	Disbursements for charitable	Contributions, gifts, and grants paid
			(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Tax Year 2003	Total	32,545	29,485	6,344	43,642	4,636	2,520	622
		Small foundations	2,715	2,366	4,626	972	385	256	97
		Medium foundations	11,720	10,847	1,616	11,287	1,980	1,093	293
		Large foundations	18,110	16,272	102	31,383	2,270	1,171	232
	Tax Year 2004	Total	32,723	29,727	6,284	44,507	5,046	2,550	605
		Small foundations	2,442	2,002	4,633	943	390	305	60
		Medium foundations	11,849	11,082	1,549	11,477	2,183	1,005	247
		Large foundations	18,432	16,643	103	32,087	2,473	1,241	299
	Tax Year 2005	Total	35,389	32,544	6,734	46,377	7,562	3,923	1,288
		Small foundations	3,072	2,834	4,928	999	1,066	891	117
		Medium foundations	12,674	11,907	1,696	11,648	3,125	1,846	950
		Large foundations	19,643	17,803	110	33,730	3,370	1,186	221
	Tax Year 2006	Total	37,794	34,832	7,486	49,496	8,141	4,072	1,113
		Small foundations	4,143	3,952	5,609	1,109	1,259	1,033	95
		Medium foundations	12,621	11,821	1,765	12,551	3,286	1,696	786
		Large foundations	21,030	19,059	112	35,837	3,596	1,343	232
	Tax Year 2007	Total	44,547	41,268	7,156	50,820	8,265	4,630	1,310
		Small foundations	4,411	4,173	5,244	1,046	1,413	1,112	83
		Medium foundations	14,430	13,541	1,796	13,061	3,521	2,087	955
		Large foundations	25,706	23,554	117	36,713	3,331	1,431	272

[1] Foundations were assigned to asset-size classes based on the reported current dollar end-of-year fair market value of total assets for each tax year. Small foundations are those holding from zero (including unreported) to less than \$1,000,000 in fair market value of total assets. Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets. Large foundations are those holding \$50,000,000 or more in fair market value of total assets.

NOTE: Amounts labeled "constant dollars" have been adjusted for inflation based on the 2005 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Inflation-adjusted money amounts were calculated in 2007 constant dollars.

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nonoperating foundations, the annual charitable distribution requirement, known as the “distributable amount,” is calculated based on an annual valuation of assets. As a result, fluctuations in asset values can directly affect the grantmaking practices of nonoperating foundations. The distributable amount is derived from a foundation’s minimum investment return, which equals 5 percent of the reported value of its net investment, or “noncharitable-use,” assets. Noncharitable-use assets are those assets held for investment purposes only and may include such items as securities, investments in art, coins or other collectables, and investments in real estate.⁹ For purposes of the calculation, noncharitable-use cash and securities are valued based on their average monthly fair market values throughout the tax year. Other noncharitable-use assets are valued annually, although not necessarily at year’s end. The net value of noncharitable-use assets, from which the minimum investment return is derived, equals the value of noncharitable-use assets, less both the indebtedness incurred to acquire these assets and the amount of cash held for charitable activities. This amount differs from the fair market value of total assets, which is calculated based on the end-of-year values of all assets held by private foundations for both charitable- and noncharitable-use. Unlike the net value of noncharitable-use assets, the fair market value of total assets is not reduced for acquisition indebtedness.

Most assets held by nonoperating foundations are held for investment, rather than charitable-use, purposes. Figure C1 illustrates the relationship between the net value of noncharitable-use assets and the aggregate end-of-year fair market value of total assets held by domestic nonoperating private foundations for Tax Years 2003 through 2007. For each of these years, net noncharitable-use assets represented the majority of end-of-year fair market value of total assets. Nonoperating foundations reported an overall real increase of 22.1 percent in the fair market value

of total assets between Tax Years 2003 and 2007. Over the same period, the net value of noncharitable-use assets that were held for investment purposes increased by 29.7 percent.

Income received from investment assets increased significantly between Tax Years 2003 and 2007. Figure C2 shows detailed statistics on noncharitable-use assets and net investment income reported by domestic nonoperating private foundations, in current and constant dollars, for Tax Years 2003 through 2007. Realized net investment income reported by private foundations included net income from capital gains, along with interest, dividends, rents, and royalties, after deductions for expenses incurred in producing the investment income. Real net investment income reported by domestic nonoperating private foundations more than doubled over the 5-year period, rising from \$27.1 billion in 2003 to \$60.0 billion in 2007. This corresponded to an average annual increase of 22.2 percent over the period. The net value of noncharitable-use assets grew at an average annual rate of 6.7 percent between 2003 and 2007.

The “net investment income yield” and “real rates of total return on assets” can provide additional insight into both the realized income from and the overall performance of investment assets. Figure D shows these calculations for domestic nonoperating foundations by *beginning of year* asset-size class, for Tax Years 2003 through 2007. Both the mean and the median, which minimizes the influences of large outliers in the data and may therefore better represent a typical foundation than the mean value, are shown. To better measure investment performance over a given tax year, foundations were classified based on their beginning of year fair market value asset sizes.¹⁰

The net investment income yield, a measure of the realized investment income that a foundation earns on its investment assets, was calculated by dividing net investment income by the value of noncharitable-use assets for each tax year in the

⁹ Conversely, assets used directly to conduct charitable activities, such as office buildings, art held by museums, and computers, are “charitable-use assets.” These assets are excluded from the minimum investment return calculation.

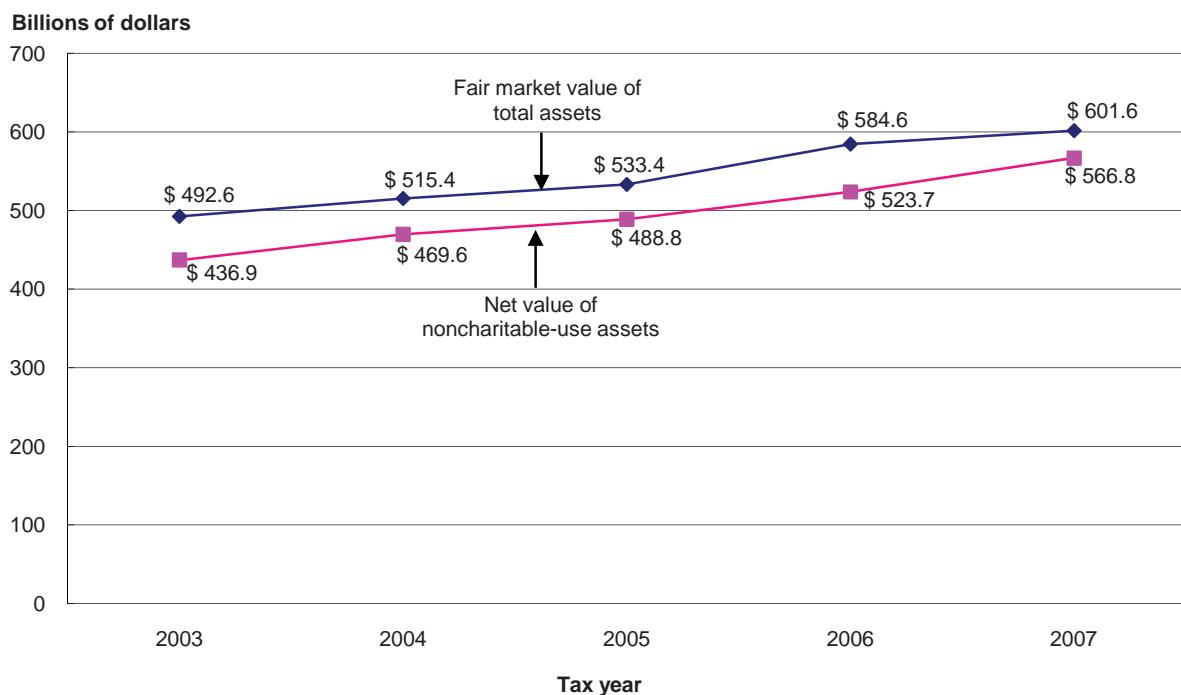
¹⁰ Only data from returns that were included in the sample for 2 consecutive tax years were used in the calculations. For example, the Tax Year 2007 net investment income yield and rate of return on total assets were calculated only for organizations that filed sampled returns for each of Tax Years 2006 and 2007. Thus, approximately 73 percent of returns for nonoperating foundations included in the Tax Year 2003 sample were eligible for this analysis. Eligible returns represented 90 percent, 91 percent, 88 percent, and 91 percent of the Tax Year 2004, Tax Year 2005, Tax Year 2006, and Tax Year 2007 samples, respectively. Because some organizations may have exited the sample in consecutive years due to decreases in their fair market values of total assets, these results may reflect some bias toward organizations with positive investment performance.

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Figure C1

Domestic Nonoperating Private Foundations: Fair Market Value of Total Assets and Net Value of Noncharitable-Use Assets, in Constant Dollars, Tax Years 2003–2007



NOTE: Amounts labeled "constant dollars" have been adjusted for inflation based on the 2005 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Inflation-adjusted money amounts were calculated in 2007 constant dollars.

Figure C2

Domestic Nonoperating Private Foundations: Net Value of Noncharitable-Use Assets and Net Investment Income, Current and Constant Dollars, Tax Years 2003–2007

[Money amounts are in millions of dollars]

Tax year	Net value of noncharitable-use assets		Net investment income	
	Current dollars	Constant dollars	Current dollars	Constant dollars
	(1)	(2)	(3)	(4)
Tax Year 2003	386,964	436,883	24,023	27,122
Tax Year 2004	427,732	469,650	32,289	35,453
Tax Year 2005	460,279	488,816	42,148	44,761
Tax Year 2006	508,978	523,738	51,308	52,796
Tax Year 2007	566,771	566,771	60,027	60,027
Average annual rate of growth	10.0	6.7	25.9	22.2

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Figure D

Domestic Nonoperating Private Foundation Net Investment Income Yields and Real Rates of Total Return on Assets, by Size of Beginning of Year Fair Market Value of Total Assets, Tax Years 2003–2007 [1]

Tax year	Asset size [2]	Net investment income yields (percentages)		Real rates of total return (percentages)	
		Median	Mean	Median	Mean
		(1)	(2)	(3)	(4)
Tax Year 2003	Total	3.0	19.9	10.8	14.9
	Small foundations	2.3	24.4	8.0	17.8
	Medium foundations	3.4	16.5	12.2	12.0
	Large foundations	3.9	5.9	14.8	15.0
Tax Year 2004	Total	2.9	11.8	3.6	8.4
	Small foundations	2.2	9.9	2.0	9.7
	Medium foundations	4.3	14.7	5.1	5.6
	Large foundations	5.9	28.4	7.3	7.5
Tax Year 2005	Total	3.8	9.3	1.2	15.1
	Small foundations	3.0	9.6	0.4	21.8
	Medium foundations	5.2	8.6	2.6	2.9
	Large foundations	7.1	11.1	4.6	6.0
Tax Year 2006	Total	4.7	15.8	6.4	11.5
	Small foundations	4.0	13.4	4.3	13.1
	Medium foundations	6.0	20.4	8.3	8.5
	Large foundations	8.0	10.5	9.9	10.5
Tax Year 2007	Total	5.1	15.7	1.4	8.8
	Small foundations	4.3	12.5	0.8	14.5
	Medium foundations	6.4	21.1	2.3	-0.1
	Large foundations	8.1	11.9	3.6	1.6

[1] Only data from returns that were included in the sample for two consecutive tax years were used in the calculations. For example, the Tax Year 2007 net investment income yield and rate of return on total assets were calculated only for organizations that filed sampled returns for each of Tax Years 2006 and 2007. Thus, approximately 73 percent of returns for nonoperating foundations included in the Tax Year 2003 sample were eligible for this analysis. Eligible returns represented 90 percent, 91 percent, 88 percent, and 91 percent of the Tax Year 2004, Tax Year 2005, Tax Year 2006, and Tax Year 2007 samples, respectively. Because some organizations may have exited the sample in consecutive years due to decreases in their fair market values of total assets, these results may reflect some bias toward organizations with positive investment performance.

[2] Foundations were assigned to asset-size classes based on the reported current dollar end-of-year fair market value of total assets for each tax year. Small foundations are those holding from zero (including unreported) to less than \$1,000,000 in fair market value of total assets. Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets. Large foundations are those holding \$50,000,000 or more in fair market value of total assets.

period.¹¹ Median net investment income yields realized by domestic nonoperating private foundations were between 2.9 and 3.8 percent for Tax Years 2003 through 2005, before improving to 4.7 and 5.1 percent for Tax Years 2006 and 2007. This pattern corresponded to the relatively large overall increases in total net investment income received by domestic nonoperating private foundations, combined with relatively modest growth in the net value of noncharitable-use assets over the 5-year period.

Median realized net investment income yields increased with organization size for each of Tax

Years 2003 through 2007. Median net investment income yields for small foundations were between 2.2 and 4.3 percent for each year in the period, while large foundations realized median net investment income yields between 3.9 and 8.1 percent. Foundations in each of the three size classes reported their highest median net investment income yields for Tax Year 2007.

The real rate-of-total-return formula, which measures the total, inflation-adjusted capital appreciation of a foundation's assets, equals the change in the value of the entire asset base (adjusted for contributions

¹¹ The net investment income amount used in calculating the net investment income yield was obtained from column (b) of the income statement, found in Part I of Form 990-PF.

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received, grants paid, and certain expenses) divided by the value of the base.¹² Because the real rate of total return on assets measures the realized income from investments and other assets, as well as the unrealized appreciation or depreciation in the fair market value of assets, it provides a more comprehensive measure of total investment performance than the net investment income yield. Median real rates of total return on assets, as reported by nonoperating foundations, illustrate a somewhat different pattern in investment performance for Tax Years 2003 through 2007. Overall, median rates of total return realized by nonoperating foundations declined substantially over the period, falling from 10.8 percent in Tax Year 2003 to just 1.4 percent for Tax Year 2007.

Like net investment income yields, the realized real rates of total return were higher for large foundations than for foundations in other size classes. Median rates of total return followed the same pattern for foundations of all sizes, declining in each consecutive year for Tax Years 2003 through 2005 before improving for Tax Year 2006 and again decreasing substantially for Tax Year 2007.

Excise Tax on Net Investment Income

The realized income from investments, or net investment income, that is reported by private foundations is subject to an excise tax each year under IRC section 4940. This tax is intended to cover expenses incurred by the IRS in the oversight of private foundation activities and the enforcement of laws governing private foundations' exempt status. Generally, domestic private foundations are taxed at a rate equal to 2 percent of their net investment income.¹³ Figure E shows selected information for private foundations that reported excise tax on net investment income for

Tax Years 2003 through 2007. Of the \$28.4 billion in real net investment income reported by all domestic foundations for Tax Year 2003, \$27.9 billion was subject to the excise tax, which totaled \$370 million in real terms. For Tax Year 2007, \$60.8 billion of the \$62.8 billion in net investment income reported by foundations was subject to the excise tax, which totaled \$890 million.

Under IRC section 4940(e), domestic private foundations that are able to demonstrate growth in the rate of their charitable distributions are taxed at a reduced net investment income tax rate of 1 percent. If total Tax Year 2007 qualifying distributions were larger than the total of averaged qualifying distributions made between 2002 and 2006 plus 1 percent of the total amount of current net investment income, a foundation was eligible for the reduced tax rate for Tax Year 2007. For Tax Year 2003, the first year of the 5-year period, of the foundations reporting excise taxes on net investment income, just over half of all foundations qualified for the reduced 1-percent tax rate. For each of the following 4 years, less than 45.0 percent of foundations qualified for the reduced rate. Generally, larger foundations were more likely to qualify for the reduced tax rate than smaller foundations; for example, for Tax Year 2007, some 52.9 percent of large foundations were eligible for the reduced rate, compared to 43.3 percent of small foundations. Despite the lower average tax rates, excise tax on net investment income paid by large foundations accounted for 70.4 percent of total tax liability for Tax Year 2007.

Qualifying Distributions and Components

“Qualifying distributions” are expenditures made by nonoperating foundations that qualify toward meet-

¹² The rate-of-total-return formula used here is the same as that developed and used by Salomon and Voytek in their studies on foundation assets. See Salomon, Lester M. and Voytek, Kenneth P., *Managing Foundation Assets: An Analysis of Foundation Investment and Payout Procedures and Performance*, Washington, DC: The Council on Foundations, 1989, p. 32. The formula for this calculation is shown below:

$$\begin{aligned} \text{Rate of Total Return} = & [\text{Ending Fair Market Value of Assets} - \text{Indexed Beginning Fair Market Value of Assets} \times \text{Contributions Received} \\ & + \text{Grants Paid} + \text{Operating and Administrative Expenses} + \text{Excise Tax Paid on Net Investment Income}] \\ & \text{DIVIDED BY} \\ & [\text{Indexed Beginning Fair Market Value of Assets} + 50 \text{ percent of Contributions Received}] \end{aligned}$$

To calculate the rate of total return shown in Figure D, samples of private foundation information returns for consecutive tax years were matched in order to analyze both the beginning and end-of-year fair market value data.

In order to obtain an inflation-adjusted real rate of return, the beginning-of-year fair market value of assets was indexed based on the 2005 chain-type price index for Gross Domestic Product as published by the Bureau of Economic Analysis, using the year corresponding with the latter tax year as the base year. For example, to calculate the 2007 rate of total return, the 2006 ending fair market value of total asset amount was adjusted, using 2007 as the base.

¹³ Under IRC section 4948, exempt foreign private foundations are subject to a 4-percent tax on their gross investment income derived from U.S. sources (from line 12, column (b) of the income statement, found in Part I of Form 990-PF). For domestic private foundations, net investment income is income received from investments worldwide.

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Figure E

Domestic Private Foundations Reporting Excise Tax on Investment Income, by Asset-Size Class, in Constant Dollars, Tax Years 2003–2007

[Money amounts are in millions of dollars]

Tax year	Asset size [1]	Number of returns	Percentage of all foundations	Net investment income	Qualifying distributions	Excise tax	Percentage of foundations reporting:	
							1-Percent tax	2-Percent tax
Tax Year 2003		(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Total	57,095	74.8	27,874	33,482	370	50.6
		Small foundations	34,416	65.9	708	2,190	11	47.1
		Medium foundations	21,604	94.0	8,202	12,083	118	55.6
Tax Year 2004		Large foundations	1,075	94.9	18,964	19,209	241	44.4
		Total	58,780	76.4	35,915	34,086	515	43.9
		Small foundations	34,514	67.1	775	1,931	12	56.1
		Medium foundations	23,087	95.2	10,300	12,647	153	59.2
Tax Year 2005		Large foundations	1,179	95.6	24,840	19,508	350	51.8
		Total	63,519	79.9	45,421	37,272	663	47.2
		Small foundations	37,611	71.6	947	2,987	14	55.3
		Medium foundations	24,628	95.9	12,085	13,288	180	52.8
Tax Year 2006		Large foundations	1,279	95.9	32,389	20,997	469	49.0
		Total	65,583	80.1	53,621	40,064	820	44.4
		Small foundations	37,575	71.3	1,166	3,625	16	55.6
		Medium foundations	26,553	96.2	14,433	13,773	221	55.4
Tax Year 2007		Large foundations	1,455	96.5	38,021	22,666	582	56.2
		Total	68,686	81.2	60,795	47,178	890	43.8
		Small foundations	39,475	73.1	1,308	4,104	18	53.6
		Medium foundations	27,709	95.3	16,122	15,754	244	56.7
		Large foundations	1,501	96.4	43,365	27,320	627	47.1

[1] Foundations were assigned to asset-size classes based on the reported current dollar end-of-year fair market value of total assets for each tax year. Small foundations are those holding from zero (including unreported) to less than \$1,000,000 in fair market value of total assets. Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets. Large foundations are those holding \$50,000,000 or more in fair market value of total assets.

NOTE: Amounts labeled "constant dollars" have been adjusted for inflation based on the 2005 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Inflation-adjusted money amounts were calculated in 2007 constant dollars.

ing their required distributable amounts. Although qualifying distributions generally consist primarily of contributions, gifts, and grants disbursed throughout the year, they may also include operating and administrative expenses related to conducting charitable operations; "set-asides," which are amounts earmarked for future charitable distributions; program-related investments, such as loans to other 501(c)(3) organizations; and amounts paid to acquire buildings, equipment, supplies, or other assets for charitable-use. Figure F presents total qualifying distributions disbursed between Tax Years 2003 and 2007, as well as the total value of contributions, gifts, and grants included in these distributions, in current and con-

stant dollars. Contributions, gifts, and grants paid accounted for nearly 90.0 percent of total qualifying distributions for each tax year in the period.

Operating and administrative expenses were the second largest component of qualifying distributions. These amounts represented between 7.2 and 9.1 percent of total disbursements for charitable purposes for Tax Years 2003 through 2007. Components of operating and administrative expenses for each of Tax Years 2003 through 2007 are shown in Figure G.¹⁴ Other employee compensation, including salaries and wages, pension plans and other employee benefits, accounted for the single largest component of operating and administrative expenses for each year, except for

¹⁴ Only those operating and administrative expenses included in qualifying distributions are discussed in this section.

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Figure F

Domestic Nonoperating Private Foundations: Qualifying Distributions and Contributions, Gifts, and Grants Paid, in Current and Constant Dollars, Tax Years 2003–2007

[Money amounts are in millions of dollars]

Tax year	Qualifying distributions		Contributions, gifts, and grants paid		Percentage of qualifying distributions disbursed as contributions, gifts, and grants paid
	Current dollars	Constant dollars	Current dollars	Constant dollars	
	(1)	(2)	(3)	(4)	(5)
Tax Year 2003	29,811	33,657	26,116	29,485	87.6
Tax Year 2004	30,493	33,481	27,074	29,727	88.8
Tax Year 2005	34,263	36,387	30,644	32,544	89.4
Tax Year 2006	37,635	38,727	33,850	34,832	89.9
Tax Year 2007	45,575	45,575	41,268	41,268	90.5
Average annual rate of growth	11.4	8.1	12.3	9.0	0.8

NOTE: Amounts labeled "constant dollars" have been adjusted for inflation based on the 2005 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Inflation-adjusted money amounts were calculated in 2007 constant dollars.

Tax Year 2004, where the proportion of other expenses was slightly larger. Other employee compensation ranged between 25.8 and 28.5 percent of the total operating and administrative expenses reported by domestic nonoperating private foundations for each tax year in the period. After factoring in compensation paid to officers, directors, and trustees, the percentage of expenses attributable to total employee compensation ranged from 38.7 to 43.3 percent of total operating and administrative expenses for each tax year. The other expense category experienced the largest change, dropping from 25.2 percent of total operating and administrative expenditures for Tax Year 2003 to 19.3 percent for Tax Year 2007.¹⁵

Payout Rates

Nonoperating foundations may combine current-year qualifying distributions with excess amounts that were carried over from previous tax years in order to meet the current-year distributable amount. Excess qualifying distributions can be carried-over for 5 consecutive tax years. These carryovers, along with current-year qualifying distributions, are adjusted to include certain taxes and deductions and are then

divided by the total value of noncharitable-use assets to arrive at a foundation's "payout rate."¹⁶ This rate provides a measure of a foundation's success in meeting the annual required distributable amount. Median payout rates for domestic nonoperating foundations by asset-size class, as well as the percentage distributions of payout rate ranges among the various asset-size-classes, are displayed in Figure H.

Median payout rates, which may be reflective of the activities of typical foundations, were notably consistent for Tax Years 2003 through 2007. Generally, median payout rates for medium and large foundations were at or around the required 5 percent. Median payout rates for small foundations were somewhat higher than for their larger counterparts, between 5.8 and 6.7 percent for each tax year.

As foundation size increased, the percentage of nonoperating foundations that exceeded the 5-percent payout requirement generally decreased. Approximately half of small foundations reported payout rates of 6.5 percent or more for each of Tax Years 2003 through 2007. In contrast, between 24.0 and 28.0 percent of large foundations reported payout rates of 6.5 percent or higher throughout the period.

¹⁵ Additional time-series data, including both current and constant dollar amounts for operating and administrative expenses, qualifying distributions, and distributable amounts, may be accessed via the Internet at <http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html>.

¹⁶ The payout rate was calculated by dividing the amount of (adjusted) qualifying distributions by the value of noncharitable-use assets. This payout formula is as follows:

Payout Rate = Qualifying Distributions (Part XII, line 4) + Taxes (Part XI, line 2c) - Recoveries of Amounts Treated as Qualifying Distributions (Part XI, Line 4) + Deduction from Distributable amount (Part XI, Line 6) + Excess Distributions Applied (Part XIII, Col. A, Line 5)

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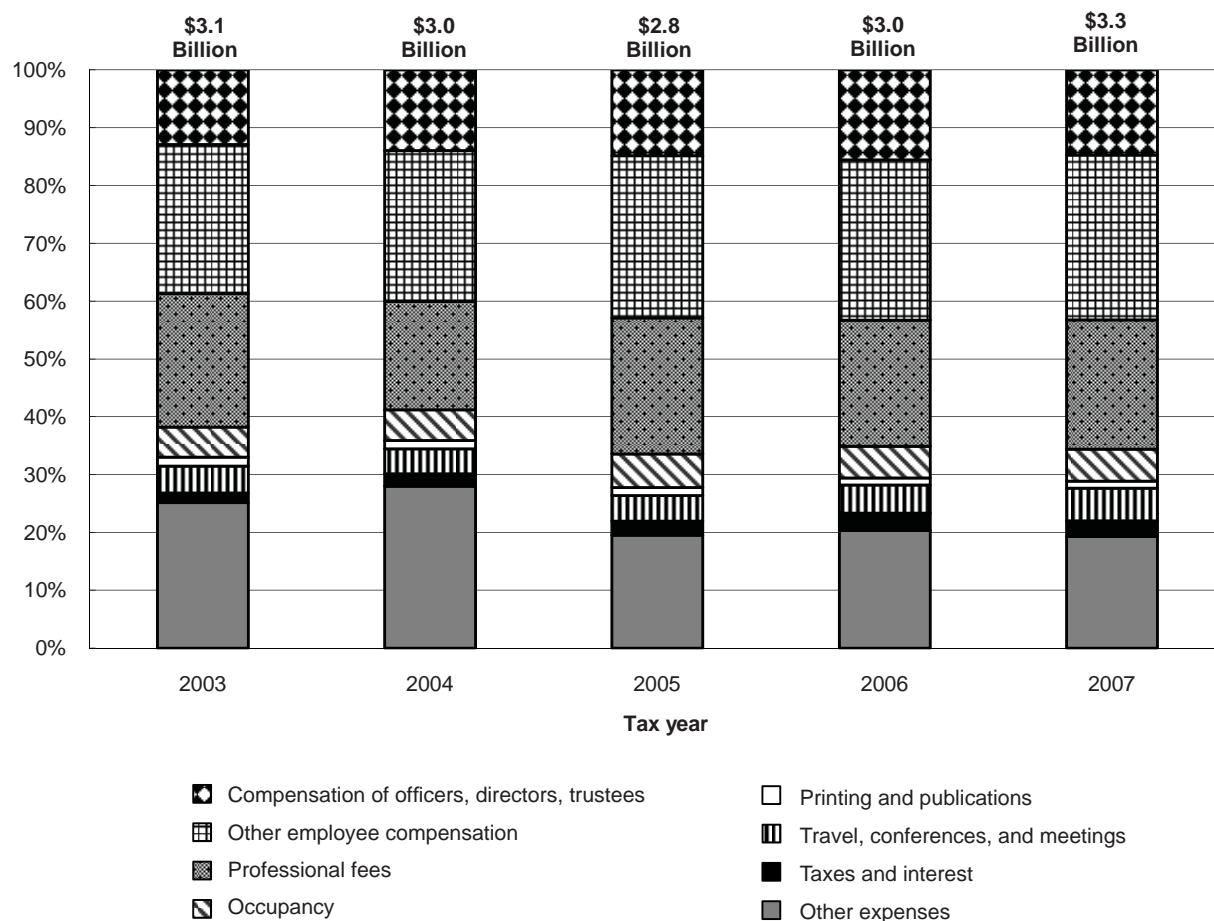
Net value of Noncharitable-use Assets (Part X, Line 5)

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Figure G

Domestic Nonoperating Private Foundations: Components of Operating and Administrative Expenses, Tax Years 2003–2007



NOTE: The total amount of operating and administrative expenses are in constant dollars. These amounts have been adjusted for inflation based on the 2005 chain-type price index for Gross Domestic Product, as published by the U.S. Department of Commerce, Bureau of Economic Analysis. Inflation-adjusted money amounts were calculated in 2007 constant dollars.

Summary

Tax Years 2003 through 2007 represented a period of both growth and consistency for private foundations. By the end of the period, the aggregate fair market value of total assets held by private foundations had grown, in real terms, by 21.7 percent, while disbursements for charitable purposes made by these organizations increased, in real terms, by 40.2 percent. The number of private foundations that filed Form 990-PF increased 10.8 percent between Tax Years 2003 and 2007.

While foundations disbursed a larger amount of charitable dollars for Tax Year 2007 than they did for Tax Year 2003, the components of disbursements for charitable purposes were remarkably consistent throughout the period. Nearly 90 percent of qualifying distributions were made in the form of contributions, gifts, and grants for every year in the 5-year period. The percentage of disbursements for charitable purposes directed toward operating and administrative expenses was consistently between 7.2 and 9.1 percent throughout the period. Additionally,

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Figure H

Domestic Nonoperating Private Foundations: Median Payout Rates and Selected Percentages, by Asset-Size Class, Tax Years 2003–2007

Asset size, item [1]	Tax Year 2003	Tax Year 2004	Tax Year 2005	Tax Year 2006	Tax Year 2007
	(1)	(2)	(3)	(4)	(5)
All foundations:					
Median payout rate (percentage)	5.9	5.4	5.6	5.6	5.7
Percentage of foundations with payout rates of less than 0.2 percent	3.3	4.9	4.7	3.7	4.2
0.2 percent under 3.3 percent	5.7	5.4	5.7	6.1	5.4
3.3 percent under 4.8 percent	10.6	13.8	10.9	10.6	11.2
4.8 percent under 5.0 percent	8.5	11.0	9.8	10.5	8.1
5.0 percent or more	71.9	64.8	68.8	69.0	71.1
5.0 percent under 6.5 percent	27.4	24.4	26.2	27.2	27.9
6.5 percent under 13.0 percent	15.9	15.3	15.0	16.7	16.3
13.0 percent under 75.0 percent	17.1	15.0	15.8	15.3	15.7
75.0 percent under 200.0 percent	4.8	5.1	5.1	5.2	4.7
200.0 percent or more	6.7	5.0	6.8	4.7	6.6
Small foundations:					
Median payout rate (percentage)	6.7	5.8	6.2	6.3	6.6
Percentage of foundations with payout rates of less than 0.2 percent	4.5	6.7	6.3	4.7	5.8
0.2 percent under 3.3 percent	5.4	5.6	5.5	6.2	5.0
3.3 percent under 4.8 percent	8.8	11.4	8.2	7.0	7.7
4.8 percent under 5.0 percent	7.8	10.5	8.7	9.5	6.6
5.0 percent or more	73.5	65.8	71.2	72.6	74.9
5.0 percent under 6.5 percent	22.9	20.4	22.4	23.8	24.4
6.5 percent under 13.0 percent	14.1	13.7	13.1	15.7	15.4
13.0 percent under 75.0 percent	20.4	17.5	18.6	18.2	18.4
75.0 percent under 200.0 percent	6.5	6.8	7.0	7.6	6.8
200.0 percent or more	9.6	7.4	10.1	7.2	10.0
Medium foundations:					
Median payout rate (percentage)	5.4	5.2	5.2	5.2	5.2
Percentage of foundations with payout rates of less than 0.2 percent	0.9	1.6	1.8	2.2	1.4
0.2 percent under 3.3 percent	6.4	5.2	6.3	6.1	6.2
3.3 percent under 4.8 percent	14.4	18.3	15.8	16.2	16.9
4.8 percent under 5.0 percent	9.8	12.0	11.8	12.3	10.7
5.0 percent or more	68.4	62.9	64.4	63.2	64.8
5.0 percent under 6.5 percent	36.4	31.5	32.9	32.3	33.4
6.5 percent under 13.0 percent	19.6	18.4	18.5	18.4	17.8
13.0 percent under 75.0 percent	10.4	10.5	10.7	10.7	11.3
75.0 percent under 200.0 percent	1.3	1.8	1.5	1.2	1.3
200.0 percent or more	0.7	0.6	0.9	0.6	0.9
Large foundations:					
Median payout rate (percentage)	5.3	5.1	5.2	5.2	5.3
Percentage of foundations with payout rates of less than 0.2 percent	0.4	0.4	0.6	0.7	0.8
0.2 percent under 3.3 percent	3.6	3.3	2.5	3.7	4.3
3.3 percent under 4.8 percent	13.2	21.4	18.0	20.1	18.7
4.8 percent under 5.0 percent	11.9	11.8	13.3	11.2	9.7
5.0 percent or more	70.9	63.2	65.6	64.3	66.5
5.0 percent under 6.5 percent	43.7	39.1	38.7	37.2	38.6
6.5 percent under 13.0 percent	18.7	15.2	16.6	17.7	18.2
13.0 percent under 75.0 percent	7.5	8.0	9.1	8.4	8.8
75.0 percent under 200.0 percent	0.8	0.4	1.1	0.4	0.9
200.0 percent or more	0.2	0.4	0.2	0.5	0.1

[1] Foundations were assigned to asset-size classes based on the reported current dollar end-of-year fair market value of total assets for each tax year. Small foundations are those holding from zero (including unreported) to less than \$1,000,000 in fair market value of total assets. Medium foundations are those holding from \$1,000,000 to less than \$50,000,000 in fair market value of total assets. Large foundations are those holding \$50,000,000 or more in fair market value of total assets.

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median payout rates were between 5.4 and 5.9 percent for all of Tax Years 2003 through 2007, although median payout rates were generally higher for small foundations than for their larger counterparts. Although the components of total operating and administrative expenses were similar for the years between Tax Year 2003 and 2007, other expenses decreased in proportion to total operating and administrative expenses over the period.

Data Sources and Limitations

The statistics for Tax Year 2007 that are presented in this article are based on a sample of Tax Year 2007 Forms 990-PF that were filed with the Internal Revenue Service. Organizations having accounting periods beginning in 2007 (and therefore ending between December 2007 and November 2008) that filed returns in Calendar Years 2008 and 2009 that posted to the IRS Business Master File during those years were included in the sample. Some part-year returns were included in the samples for organizations that changed their accounting periods, or filed initial or final returns. Some 72 percent of the domestic private foundations in the sample had accounting periods covering Calendar Year 2007 or, in some cases, part-year periods that ended in December 2007.

The Tax Year 2007 sample was stratified based on both the size of fair market value of total assets and the type of organization (either a private foundation or an IRC section 4947(a)(1) charitable trust). To accomplish this, 100 percent of returns filed for foundations with fair market asset value of \$10 million or more were included in the samples, since these organizations represented the vast majority of financial activity. Close to 8 percent of all foundations reported \$10 million or more in fair market value of total assets for 2007 and were selected at a rate of 100 percent. The remaining foundation population was randomly selected for the sample at various rates of less than 100 percent depending on asset size. The realized sampling rates for each asset-size category are included in Figure I. Figure J shows the magnitude of sampling error for selected items for Tax Year 2007, measured by coefficients of variation.

Efforts were made to verify that organizations that were selected for the sample were properly classified as foundations or trusts. The relatively few foundations in the sample that were incorrectly selected as trusts were ultimately treated as foundations for these statistics. However, the weights used

Figure I

Realized Sampling Rates for Private Foundation Returns, Tax Year 2007

End-of-year fair market value of total assets	Realized sampling rate (percentage)
Less than \$125,000	1.0
\$125,000 under \$400,000	1.9
\$400,000 under \$1,000,000	2.1
\$1,000,000 under \$2,500,000	6.7
\$2,500,000 under \$10,000,000	9.9
\$10,000,000 or more	100.0

for these organizations were based on the original sample selection classification.

For Tax Year 2007, there were 9,407 foundation returns in the sample selected from a population of 87,655. The difference between the actual population of Forms 990-PF records that posted to the IRS Business Master File during 2008 and 2009 and the estimated population of domestic foundation returns as published in this article results from sample code changes and the effects of returns that were “rejected” from the sample as part of the editing process. For example, foreign returns and duplicate filings by a single organization were included in the actual population of Forms 990-PF filed but were rejected from the SOI sample. Returns for each of the Tax Year 2003 through 2006 studies were sampled, selected, and processed in a similar manner. Sample and population counts for each of these additional tax years are available via the Internet at <http://www.irs.gov/taxstats/charitablestats/article/0,,id=212357,00.html>.

The data presented were obtained from returns as originally filed with IRS. In most cases, changes made to the original return because of administrative processing, audit procedures, or a taxpayer amendment were not captured in the statistics. The data were subject to comprehensive testing and correction procedures in order to ensure statistical reliability and validity. A general discussion of the reliability of estimates based on samples, methods for evaluating both the magnitude of sampling and non-sampling error, and the precision of sample estimates can be found in the general Appendix to this issue of the *SOI Bulletin*, or at <http://www.irs.gov/pub/irs-soi/sampling.pdf>.

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Figure J

Coefficients of Variation for Domestic Private Foundations, Selected Income Statement and Balance Sheet Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2007

Item	Total	Asset size							
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Number of returns	0.00	19.87	3.18	1.68	0.62	n/a	n/a	n/a	n/a
Total revenue	0.95	48.64	49.37	10.77	3.72	n/a	n/a	n/a	n/a
Contributions, gifts, and grants received	2.03	60.57	52.02	15.42	6.10	n/a	n/a	n/a	n/a
Interest on savings and temporary cash investments	0.76	70.82	17.13	8.24	5.00	n/a	n/a	n/a	n/a
Dividends and interest from securities	0.66	78.57	14.52	4.18	2.88	n/a	n/a	n/a	n/a
Gross rents and royalties	4.23	* 0.00	99.49	46.60	26.49	n/a	n/a	n/a	n/a
Net gain (less loss) from sales of assets	0.59	86.04	61.32	13.40	4.91	n/a	n/a	n/a	n/a
Gross profit (less loss) from business activities	23.00	* 0.00	83.21	97.78	1.16	n/a	n/a	n/a	n/a
Other income	3.98	99.07	[1] 54.46	41.67	24.93	n/a	n/a	n/a	n/a
Total expenses	2.74	71.31	44.44	13.76	5.72	n/a	n/a	n/a	n/a
Contributions, gifts, and grants paid	3.07	71.61	21.16	16.92	5.84	n/a	n/a	n/a	n/a
Compensation of officers	3.80	67.59	42.04	23.47	6.40	n/a	n/a	n/a	n/a
Other salaries and wages	7.11	* 0.00	61.54	41.48	33.78	n/a	n/a	n/a	n/a
Pension plans and employee benefits	4.39	* 0.00	57.84	45.53	38.02	n/a	n/a	n/a	n/a
Legal fees	3.84	46.26	28.00	15.99	13.30	n/a	n/a	n/a	n/a
Accounting fees	4.62	56.99	22.24	21.23	3.93	n/a	n/a	n/a	n/a
Other professional fees	3.08	68.21	50.12	25.36	15.80	n/a	n/a	n/a	n/a
Interest	2.66	* 0.00	57.37	68.37	21.96	n/a	n/a	n/a	n/a
Taxes	1.23	79.09	36.33	16.71	8.88	n/a	n/a	n/a	n/a
Depreciation and depletion	1.87	* 0.00	30.94	29.36	13.32	n/a	n/a	n/a	n/a
Occupancy	4.57	99.49	37.97	32.72	18.68	n/a	n/a	n/a	n/a
Travel, conferences, and meetings	9.20	95.60	52.74	38.61	21.60	n/a	n/a	n/a	n/a
Printing and publications	6.61	80.48	73.30	41.13	22.34	n/a	n/a	n/a	n/a
Other expenses	22.38	54.12	90.00	21.23	11.86	n/a	n/a	n/a	n/a
Excess of revenue (less loss) over expenses	2.76	80.86	47.20	20.62	7.83	n/a	n/a	n/a	n/a
Excess of revenue	0.74	99.49	22.34	9.78	4.55	n/a	n/a	n/a	n/a
Loss	11.86	80.86	28.71	14.25	12.45	n/a	n/a	n/a	n/a
Total assets (fair market value)	0.12	* 0.00	7.36	1.74	0.95	n/a	n/a	n/a	n/a
Cash (non-interest bearing accounts)	3.50	* 0.00	16.34	12.16	10.05	n/a	n/a	n/a	n/a
Savings and temporary cash investments	0.83	* 0.00	14.69	7.18	4.04	n/a	n/a	n/a	n/a
Accounts receivable, net	4.39	* 0.00	76.51	49.25	40.43	n/a	n/a	n/a	n/a
Pledges receivable, net	6.21	* 0.00	99.49	80.40	41.04	n/a	n/a	n/a	n/a
Grants receivable	5.93	* 0.00	* 0.00	46.93	53.68	n/a	n/a	n/a	n/a
Receivables due from disqualified persons	38.75	* 0.00	84.70	53.58	83.19	n/a	n/a	n/a	n/a
Other notes and loans receivable	3.19	* 0.00	88.70	37.71	16.29	n/a	n/a	n/a	n/a
Inventories	35.70	* 0.00	81.23	76.86	67.92	n/a	n/a	n/a	n/a
Prepaid expenses and deferred charges	2.69	* 0.00	83.65	78.92	16.78	n/a	n/a	n/a	n/a
Investments, total (non-cash)	0.16	* 0.00	13.26	3.00	1.25	n/a	n/a	n/a	n/a
Securities, total	0.21	* 0.00	14.73	3.61	1.56	n/a	n/a	n/a	n/a
Government obligations	0.68	* 0.00	43.65	15.09	5.68	n/a	n/a	n/a	n/a
Corporate stock	0.24	* 0.00	16.17	4.05	1.77	n/a	n/a	n/a	n/a
Corporate bonds	0.71	* 0.00	34.16	11.74	4.55	n/a	n/a	n/a	n/a
Land, buildings, and equipment (less accumulated depreciation)	1.66	* 0.00	64.71	38.37	14.69	n/a	n/a	n/a	n/a
Mortgage loans	9.70	* 0.00	99.49	82.93	35.62	n/a	n/a	n/a	n/a
Other investments	0.34	* 0.00	27.53	11.46	5.51	n/a	n/a	n/a	n/a
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	1.30	* 0.00	39.42	28.01	11.12	n/a	n/a	n/a	n/a
Other assets	1.59	* 0.00	84.87	42.84	19.45	n/a	n/a	n/a	n/a
Total assets (book value)	0.14	* 0.00	7.38	2.10	1.10	n/a	n/a	n/a	n/a

Footnotes at end of figure.

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Figure J—Continued

Coefficients of Variation for Domestic Private Foundations, Selected Income Statement and Balance Sheet Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Year 2007—Continued

Item	Total	Asset size							
		Assets zero or unreported	\$1 under \$100,000	\$100,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$25,000,000	\$25,000,000 under \$50,000,000	\$50,000,000 under \$100,000,000	\$100,000,000 or more
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
Cash (non-interest bearing accounts)	3.49	* 0.00	16.34	12.10	10.06	n/a	n/a	n/a	n/a
Savings and temporary cash investments	0.83	* 0.00	14.70	7.19	4.02	n/a	n/a	n/a	n/a
Accounts receivable, net	4.39	* 0.00	76.51	49.25	40.38	n/a	n/a	n/a	n/a
Pledges receivable, net	6.21	* 0.00	99.49	80.40	41.03	n/a	n/a	n/a	n/a
Grants receivable	5.65	* 0.00	* 0.00	45.94	53.42	n/a	n/a	n/a	n/a
Receivables due from disqualified persons	38.74	* 0.00	84.70	53.58	83.19	n/a	n/a	n/a	n/a
Other notes and loans receivable	3.25	* 0.00	88.70	39.66	16.29	n/a	n/a	n/a	n/a
Inventories	36.74	* 0.00	81.24	76.86	68.25	n/a	n/a	n/a	n/a
Prepaid expenses and deferred charges	2.68	* 0.00	83.65	78.92	16.79	n/a	n/a	n/a	n/a
Investments, total (non-cash)	0.18	* 0.00	13.45	3.36	1.40	n/a	n/a	n/a	n/a
Securities, total	0.23	* 0.00	14.97	3.96	1.70	n/a	n/a	n/a	n/a
Government obligations	0.68	* 0.00	44.45	15.66	5.71	n/a	n/a	n/a	n/a
Corporate stock	0.26	* 0.00	16.69	4.50	1.97	n/a	n/a	n/a	n/a
Corporate bonds	0.71	* 0.00	34.39	11.62	4.57	n/a	n/a	n/a	n/a
Land, buildings, and equipment (less accumulated depreciation)	1.76	* 0.00	65.27	40.64	15.58	n/a	n/a	n/a	n/a
Mortgage loans	9.48	* 0.00	99.49	82.65	35.59	n/a	n/a	n/a	n/a
Other investments	0.35	* 0.00	27.79	11.59	5.62	n/a	n/a	n/a	n/a
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	1.40	* 0.00	39.59	29.33	11.99	n/a	n/a	n/a	n/a
Other assets	1.59	* 0.00	65.72	39.84	19.79	n/a	n/a	n/a	n/a
Total liabilities (book value)	1.34	99.49	86.85	29.32	18.49	n/a	n/a	n/a	n/a
Net worth (book value)	0.15	99.49	37.90	2.18	1.18	n/a	n/a	n/a	n/a
Total assets, beginning-of-year (book value)	0.29	80.42	11.11	2.59	1.55	n/a	n/a	n/a	n/a
Cash (non-interest bearing accounts)	3.11	79.55	17.77	12.80	9.63	n/a	n/a	n/a	n/a
Savings and temporary cash investments	1.33	92.93	20.26	8.26	4.97	n/a	n/a	n/a	n/a
Accounts receivable, net	4.84	99.49	81.49	60.27	42.18	n/a	n/a	n/a	n/a
Pledges receivable, net	3.88	* 0.00	89.08	92.54	40.80	n/a	n/a	n/a	n/a
Grants receivable	6.96	* 0.00	* 0.00	58.19	75.67	n/a	n/a	n/a	n/a
Receivables due from disqualified persons	44.73	* 0.00	79.39	69.98	81.32	n/a	n/a	n/a	n/a
Other notes and loans receivable	4.56	* 0.00	99.49	35.50	17.67	n/a	n/a	n/a	n/a
Inventories	36.74	* 0.00	93.63	74.47	63.00	n/a	n/a	n/a	n/a
Prepaid expenses and deferred charges	5.54	* 0.00	58.74	62.50	25.96	n/a	n/a	n/a	n/a
Investments, total (non-cash)	0.29	80.39	18.91	3.71	1.79	n/a	n/a	n/a	n/a
Securities, total	0.34	87.95	16.16	4.30	1.97	n/a	n/a	n/a	n/a
Government obligations	2.19	98.82	39.78	14.26	5.80	n/a	n/a	n/a	n/a
Corporate stock	0.29	59.72	17.56	4.86	2.31	n/a	n/a	n/a	n/a
Corporate bonds	0.72	99.49	30.35	12.26	4.54	n/a	n/a	n/a	n/a
Land, buildings, and equipment (less accumulated depreciation)	2.34	99.49	73.23	35.40	15.64	n/a	n/a	n/a	n/a
Mortgage loans	9.49	* 0.00	99.49	62.79	37.46	n/a	n/a	n/a	n/a
Other investments	0.44	94.13	52.00	11.75	6.20	n/a	n/a	n/a	n/a
Charitable-purpose land, buildings, and equipment (less accumulated depreciation)	1.56	* 0.00	43.24	29.19	12.64	n/a	n/a	n/a	n/a
Other assets	1.04	98.29	52.80	42.34	17.83	n/a	n/a	n/a	n/a
Total liabilities, beginning-of-year (book value)	1.08	95.44	90.51	29.60	15.56	n/a	n/a	n/a	n/a
Net worth, beginning-of-year (book value) [2]	0.29	80.44	29.82	2.65	1.58	n/a	n/a	n/a	n/a

* No money amount reported.

[1] Excludes 1 sampled return that reported a negative other income amount. In the weighted estimates, this represented 98 returns with other income totaling -\$49 million. The coefficient of variation for the sample estimate of this negative other income amount is 99.49. The coefficient of variation for the sample estimate of total other income is 20,454.02.

NOTE: Coefficients of variation for selected items from each of the Tax Year 2003 through 2006 studies are available via the Internet at <http://www.irs.gov/taxstats/charitablestats/article/0,,id=96996,0.html>.

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Explanation of Selected Terms

The following explanations describe terms as they applied to private foundations:

Disbursements for Charitable Purposes—These disbursements are outlays made exclusively in support of a foundation's tax-exempt purpose and include grants paid and operating and administrative expenses. They were the largest component of “qualifying distributions” for Tax Year 2007. The total of disbursements for charitable purposes was reported on Form 990 PF, Part I, line 26, column (d).

Disqualified Person—In general, a disqualified person is a substantial contributor; a foundation manager; a person who owns more than 20 percent of a corporation, partnership, trust, or unincorporated enterprise that is itself a substantial contributor; or a family member of a disqualified person.

Distributable (Payout) Amount—This is the minimum payout amount that is required to be distributed by nonoperating foundations by the end of the tax year that follows the tax year for which the return was filed. For example, foundations were required to distribute their Tax Year 2007 amounts before the end of Tax Year 2008. The distributable amount equals 5 percent of the net value of noncharitable-use assets, called the “minimum investment return,” minus the excise tax on net investment income, plus or minus other adjustments, either allowed or required (see *Net Adjustments to Distributable Amount* in this section). Failure to distribute income within this period results in an excise tax on the undistributed portion.

Minimum Investment Return—The minimum investment return is used as the base for calculating the “distributable amount.” This is the aggregate fair market value of assets not used for charitable purposes, less both the indebtedness incurred to acquire these assets and the cash held for charitable activities, multiplied by 5 percent. Minimum investment return was reported on Form 990 PF, Part X, line 6.

Net Adjustments to Distributable Amount—The “distributable amount” is increased by recoveries of amounts previously treated as qualifying distributions. Additionally, certain organizations with governing instruments that require the accumulation of income are instructed to deduct the accumulated income from their distributable amount. These adjustments are allowed only for foundations organized before May 27, 1969, whose governing instrument requires such accumulation because State Courts

would not allow the organization to change the governing instrument. Recoveries on amounts treated as qualifying distributions and the deduction for accumulated income were reported on Form 990 PF, Part XI, lines 4 and 6, respectively.

Net Investment Income—This equals gross investment income less allowable deductions. Interest, dividends, rents, payments with respect to securities loans (as defined in IRC section 512(a)(5)), royalties, net income from realized capital gains, and, beginning in 2006, certain other similar income from investments are included in net investment income. Any investment income derived from unrelated trade or business activities, and therefore subject to the “unrelated business income” tax and reported on Form 990 T, *Exempt Organization Business Income Tax Return*, is excluded. Net investment income was reported on Form 990 PF, Part I, line 27b, column (b). This income may be subject to the excise tax on net investment income under IRC section 4940.

Net Value of Noncharitable-use Assets—An asset is considered a noncharitable-use asset if it is not used in carrying out a charitable, educational, or other similar function which relates directly to the tax-exempt status of the foundation. Examples include the fair market values of securities and rental property owned by the foundation for investment purposes. For purposes of calculating the “minimum investment return,” valuation methods for noncharitable-use assets reported in this section differ from those used to report the end-of-year fair market values for all assets in Part II. The average, rather than end of year, fair market values of cash and securities that were not used or held for use for charitable purposes during the tax year is derived and used in this calculation. With certain exceptions, other assets included in this calculation are valued annually, but not necessarily based on the end-of-year value. The fair market values of noncharitable-use assets may reflect reductions due to certain characteristics associated with those assets, such as lack of marketability or blockage. The net value of noncharitable-use assets is reduced by acquisition indebtedness and cash deemed held for charitable purposes; the latter reduction is generally limited to 1.5 percent of noncharitable-use assets less acquisition indebtedness. Thus, the net value of noncharitable-use assets, which was reported on Form 990 PF, Part X, line 5 as an element of the “minimum investment return”

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calculation, differed from the balance sheet-derived fair market value of total assets, as reported on Part II, line 16, column (c), which equaled the total end-of-year value for all assets held by the foundation.

Nonoperating Foundations—These are foundations that generally carried on their charitable activities in an indirect manner by making grants to other organizations directly engaged in charitable activities, in contrast to operating foundations that engaged in charitable activities themselves. However, for Tax Year 2007, some nonoperating foundations may have been actively involved in charitable programs of their own, in addition to making grants. For example, a foundation initially organized as operating that was unable to meet the operating foundation requirements for Tax Year 2007 could have continued its direct charitable activities. Such an organization could have directed expenditures made for these direct charitable activities, as well as expenditures made for the disbursement of contributions, gifts, and grants and other indirect charitable activities, toward meeting the required distribution requirement.

Operating Foundations—These foundations generally expended their income for direct, active involvement in a tax exempt activity. Operating foundations were exempted from the income distribution requirement and related excise taxes that were applicable to their nonoperating counterparts. Individual taxpayers could deduct contributions to operating foundations on their individual income tax returns; the deduction could not exceed 50 percent of a donor's "adjusted gross income" (as opposed to 30 percent for contributions to nonoperating foundations).

Private Foundation—A private foundation is defined in IRC section 501(c)(3) as a nonprofit organization with a narrow source of funds that operated or supported educational, scientific, charitable, religious, and other programs dedicated to improving the general welfare of society. A private foundation was an organization that qualified for tax-exempt status under IRC section 501(c)(3) but was not (1) a church, school, hospital, or medical research organization; (2) an organization with broad public support in the form of contributions or income from tax exempt activities; (3) an organization that was operated by, or in connection with, any of the above described organizations; or (4) an organization that conducted tests for public safety. The primary difference be-

tween a private foundation and other organizations exempt under 501(c)(3) was the source of the organization's funding. An individual, a family, or a corporation typically funded foundations, while most other tax-exempt organizations received funds from a large number of sources among the general public.

Qualifying Distributions—Qualifying distributions include disbursements for charitable purposes (grants, direct expenditures to accomplish charitable purposes, and charitable purpose operating and administrative expenses); amounts paid to acquire assets used directly to accomplish tax exempt functions; charitable program related investments; and amounts set aside for future charitable projects. Qualifying distributions may be credited against a foundation's obligation to pay out its "distributable amount." Total qualifying distributions were reported on Form 990 PF, Part XII, line 4.

Set-Asides—Amounts set-aside for specific charitable purposes can be treated as qualifying distributions only if the foundation establishes to the satisfaction of the IRS that the amount will be paid for the specific project within 60 months from the date of the first set-aside and if the foundation meets either the suitability test or the cash distribution test. To meet the suitability test, a foundation must receive prior approval from the IRS and must demonstrate that the project can be better accomplished by a set-aside than by an immediate payment of funds. To meet the cash distribution test under IRC section 4942(g) (2)(B)(ii), a foundation must attach a distribution schedule to its annual return for the year of the set-aside and for each subsequent year until the set-aside amount has been distributed. Set-asides were reported on Form 990-PF, Part XII, lines 3a and 3b.

Total Assets—This is the sum of all assets reported in the foundation's balance sheet, shown at both book value and fair market value. Total assets were reported on Form 990 PF, Part II, line 16, columns (a) beginning of year book value, (b) end of year book value, and (c) end of year fair market value.

Total Revenue—This is the sum of gross contributions, gifts, and grants received; interest on savings and temporary cash investments; dividends and interest from securities; net gain (or loss) from sales of assets (mostly investment assets, but also charitable use assets); gross rents and royalties; gross profit (or loss) from business activities; and other income (such as royalty income, program-related investment income,

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interest earned on assets used for charitable purposes, and imputed interest on distributions deferred interest). Total revenue items, which included both investment and charitable-use items, were reported on Form 990 PF, Part I, line 12, column (a).

Undistributed Income—This is the portion of the required “distributable amount” still undistributed after the sum of current year qualifying distributions and any excess distributions carried over from prior years are subtracted. This item was reported on Form 990 PF, Part XIII, line 6f, column (d). Under

IRC section 4942, nonoperating private foundations that did not pay out an amount equal to the Tax Year 2007 “distributable amount” by the end of Tax Year 2008 were subject to an excise tax on the undistributed amount. As a result of legislation included in the Pension Protection Act of 2006, the initial tax on undistributed income was increased from 15-percent to 30-percent of the undistributed amount for taxable years beginning after August 17, 2006. The tax, which is automatically imposed, is reported on Form 4720.

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Table 1. All Domestic Private Foundations: Selected Data Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Years 2003–2007, in Current Dollars

[Money amounts are in thousands of dollars]

Item	Fair market value of total assets						
	All	Small foundations		Medium foundations		Large foundations	
		Less than \$100,000	\$100,000 less than \$1,000,000	\$1,000,000 less than \$10,000,000	\$10,000,000 less than \$50,000,000	\$50,000,000 less than \$100,000,000	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Tax Year 2003							
Number of returns	76,348	24,172	28,061	19,202	3,780	574	559
Fair market value of total assets	474,952	672	11,851	59,096	79,580	39,984	283,769
Revenue	48,391	658	2,003	8,239	9,750	4,612	23,129
Qualifying distributions	32,780	941	1,718	5,814	5,917	2,837	15,554
Disbursements for charitable purposes	31,058	926	1,707	5,688	5,660	2,650	14,427
Contributions, gifts, and grants paid	26,667	794	1,388	4,941	4,926	2,305	12,312
Operating and administrative expenses	4,392	132	319	747	734	345	2,115
Compensation of officers, directors, and trustees	440	14	21	83	99	49	174
Other compensation	1,432	7	41	182	221	109	873
Professional fees	786	20	55	254	103	54	299
Interest	38	[1]	[1]	4	7	2	24
Taxes	58	2	5	13	16	7	15
Occupancy	264	5	14	35	59	18	133
Travel, conferences, and meetings	183	26	11	18	24	16	89
Printing and publications	76	4	5	9	9	6	43
Other expenses	1,115	54	167	149	197	83	466
Tax Year 2004							
Number of returns	76,897	22,738	28,676	20,126	4,124	623	610
Fair market value of total assets	509,924	626	12,194	62,628	86,622	43,065	304,790
Revenue	58,668	669	2,511	9,118	12,796	5,587	27,987
Qualifying distributions	33,486	736	1,777	5,313	6,761	2,939	15,959
Disbursements for charitable purposes	32,125	729	1,773	5,177	6,529	2,820	15,096
Contributions, gifts, and grants paid	27,625	608	1,269	4,590	5,727	2,467	12,963
Operating and administrative expenses	4,500	120	504	587	802	353	2,133
Compensation of officers, directors, and trustees	483	14	26	96	109	52	186
Other compensation	1,420	10	47	164	223	107	869
Professional fees	713	21	102	105	120	56	308
Interest	53	[1]	[1]	5	9	4	35
Taxes	65	2	6	11	18	8	20
Occupancy	271	6	16	29	56	20	143
Travel, conferences, and meetings	196	19	23	24	25	15	91
Printing and publications	70	2	2	9	11	6	39
Other expenses	1,230	48	282	143	230	85	442

Footnotes at end of table.

Domestic Private Foundations, Tax Years 2003–2007

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Table 1. All Domestic Private Foundations: Selected Data Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Years 2003–2007, in Current Dollars—Continued

[Money amounts are in thousands of dollars]

Item	Fair market value of total assets						
	All	Small foundations		Medium foundations		Large foundations	
		Less than \$100,000	\$100,000 less than \$1,000,000	\$1,000,000 less than \$10,000,000	\$10,000,000 less than \$50,000,000	\$50,000,000 less than \$100,000,000	\$100,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Tax Year 2005							
Number of returns	79,535	23,039	29,479	21,224	4,459	680	654
Fair market value of total assets	545,938	637	12,593	66,533	92,377	47,329	326,469
Revenue	76,365	1,323	2,809	12,958	15,094	7,644	36,538
Qualifying distributions	38,629	1,967	1,833	6,074	7,941	3,522	17,292
Disbursements for charitable purposes	37,017	1,959	1,773	5,962	7,710	3,393	16,219
Contributions, gifts, and grants paid	31,856	1,333	1,446	5,287	6,820	2,939	14,032
Operating and administrative expenses	5,161	626	327	675	890	455	2,187
Compensation of officers, directors, and trustees	525	15	46	90	117	62	195
Other compensation	1,555	9	64	206	228	135	914
Professional fees	924	122	89	122	138	99	353
Interest	51	[1]	[1]	3	11	5	31
Taxes	69	1	5	14	20	7	22
Occupancy	283	5	10	44	59	23	143
Travel, conferences, and meetings	216	6	30	32	29	16	102
Printing and publications	73	1	2	9	11	9	42
Other expenses	1,464	465	80	155	277	99	387
Tax Year 2006							
Number of returns	81,850	23,257	29,473	22,782	4,831	742	765
Fair market value of total assets [2]	616,246	661	12,741	71,639	101,504	51,824	377,878
Revenue	94,107	1,543	3,246	13,353	17,874	8,106	49,986
Qualifying distributions	42,392	2,481	2,575	6,129	8,172	3,781	19,254
Disbursements for charitable purposes	40,686	2,472	2,558	5,985	7,928	3,595	18,148
Contributions, gifts, and grants paid	34,932	1,735	2,199	5,276	6,975	3,149	15,598
Operating and administrative expenses	5,754	737	359	709	952	446	2,550
Compensation of officers, directors, and trustees	583	19	63	103	123	59	216
Other compensation	1,618	4	68	194	249	133	970
Professional fees	919	88	58	142	130	105	396
Interest	72	[1]	1	8	15	5	43
Taxes	77	1	6	14	21	8	27
Occupancy	304	10	11	40	67	22	154
Travel, conferences, and meetings	247	11	27	36	32	22	118
Printing and publications	78	4	7	10	9	5	44
Other expenses	1,855	600	117	163	307	87	582

Footnotes at end of table.

Domestic Private Foundations, Tax Years 2003–2007

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Table 1. All Domestic Private Foundations: Selected Data Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Years 2003–2007, in Current Dollars—Continued

[Money amounts are in thousands of dollars]

Item	Fair market value of total assets						
	All	Small foundations		Medium foundations		Large foundations	
		Less than \$100,000	\$100,000 less than \$1,000,000	\$1,000,000 less than \$10,000,000	\$10,000,000 less than \$50,000,000	\$50,000,000 less than \$100,000,000	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Tax Year 2007							
Number of returns	84,613	22,890	31,081	24,083	5,002	788	769
Fair market value of total assets [3]	652,441	647	13,430	75,016	105,521	55,063	402,765
Revenue	107,304	1,754	3,698	15,015	19,831	9,591	57,414
Qualifying distributions	51,038	3,357	2,213	7,161	9,813	4,435	24,058
Disbursements for charitable purposes	49,177	3,338	2,185	7,052	9,464	4,277	22,860
Contributions, gifts, and grants paid	42,578	2,372	1,884	6,284	8,212	3,802	20,023
Operating and administrative expenses	6,599	966	301	768	1,252	475	2,837
Compensation of officers, directors, and trustees	622	38	39	117	139	60	229
Other compensation	1,877	14	80	210	301	173	1,099
Professional fees	1,044	117	62	161	182	70	452
Interest	75	[1]	1	7	19	6	42
Taxes	87	1	10	18	27	9	22
Occupancy	333	12	14	41	71	28	168
Travel, conferences, and meetings	305	50	27	29	41	16	142
Printing and publications	83	6	8	7	11	5	46
Other expenses	2,173	728	61	179	462	107	636

[1] Less than \$500.

[2] The total assets amounts differ from those previously published for Tax Year 2006. The Bill and Melinda Gates Foundation reported "other investments," valued at fair market value of \$29.6 billion. This amount represented the foundation's interest in the Bill and Melinda Gates Foundation Trust. These assets were also reported by the Bill and Melinda Gates Foundation Trust on its Form 990-PF. For statistical purposes, the data shown in columns 1 and 7 were reduced by \$29.6 billion to avoid overstating these joint assets.

[3] The Bill and Melinda Gates Foundation reported "other investments," valued at fair market value of \$38.7 billion. This amount represented the foundation's interest in the Bill and Melinda Gates Foundation Trust. These assets were also reported by the Bill and Melinda Gates Foundation Trust on its Form 990-PF. For statistical purposes, the data shown in columns 1 and 7 were reduced by \$38.7 billion to avoid overstating these joint assets.

NOTE: Detail may not add to total due to rounding and processing tolerances.

Domestic Private Foundations, Tax Years 2003–2007

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Table 2. All Domestic Nonoperating Private Foundations: Selected Data Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Years 2003–2007, in Current Dollars

[Money amounts are in thousands of dollars]

Item	Fair market value of total assets						
	All	Small foundations		Medium foundations		Large foundations	
		Less than \$100,000	\$100,000 less than \$1,000,000	\$1,000,000 less than \$10,000,000	\$10,000,000 less than \$50,000,000	\$50,000,000 less than \$100,000,000	\$100,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Tax Year 2003							
Number of returns	70,004	21,288	26,319	17,869	3,497	522	509
Fair market value of total assets	436,296	586	11,077	54,748	73,930	36,588	259,367
Revenue	44,285	553	1,767	7,342	8,893	3,996	21,734
Qualifying distributions	29,811	858	1,566	5,251	5,336	2,560	14,240
Disbursements for charitable purposes	28,826	849	1,556	5,194	5,187	2,488	13,553
Contributions, gifts, and grants paid	26,116	759	1,337	4,803	4,805	2,282	12,131
Operating and administrative expenses	2,710	91	219	391	382	206	1,422
Compensation of officers, directors, and trustees	350	10	11	59	80	41	149
Other compensation	699	6	1	38	83	47	524
Professional fees	626	13	43	209	81	37	242
Interest	17	[1]	[1]	4	3	1	9
Taxes	27	2	2	5	8	5	7
Occupancy	140	1	3	11	22	11	91
Travel, conferences, and meetings	127	24	4	7	15	11	65
Printing and publications	42	[1]	4	5	5	3	24
Other expenses	683	34	151	53	86	48	311
Tax Year 2004							
Number of returns	70,613	19,760	27,022	18,894	3,807	573	557
Fair market value of total assets	469,389	533	11,427	58,510	80,287	39,677	278,954
Revenue	54,072	595	2,230	8,239	11,685	5,256	26,066
Qualifying distributions	30,493	686	1,547	4,783	6,164	2,610	14,703
Disbursements for charitable purposes	29,803	680	1,544	4,736	6,056	2,562	14,224
Contributions, gifts, and grants paid	27,074	598	1,225	4,461	5,632	2,350	12,808
Operating and administrative expenses	2,729	83	318	275	424	213	1,416
Compensation of officers, directors, and trustees	380	10	13	69	87	43	159
Other compensation	711	[1]	4	49	79	52	528
Professional fees	512	17	51	64	95	38	248
Interest	26	[1]	[1]	4	5	3	13
Taxes	32	1	2	5	9	5	11
Occupancy	146	1	3	12	22	12	96
Travel, conferences, and meetings	118	16	4	8	15	9	67
Printing and publications	39	2	1	4	7	3	22
Other expenses	764	37	242	60	106	48	272

Footnotes at end of table.

Domestic Private Foundations, Tax Years 2003–2007

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Table 2. All Domestic Nonoperating Private Foundations: Selected Data Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Years 2003–2007, in Current Dollars—Continued

[Money amounts are in thousands of dollars]

Item	Fair market value of total assets						
	All	Small foundations		Medium foundations		Large foundations	
		Less than \$100,000	\$100,000 less than \$1,000,000	\$1,000,000 less than \$10,000,000	\$10,000,000 less than \$50,000,000	\$50,000,000 less than \$100,000,000	\$100,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Tax Year 2005							
Number of returns	72,800	19,581	28,008	19,868	4,118	623	601
Fair market value of total assets	502,268	527	11,763	62,298	85,643	43,496	298,541
Revenue	69,245	802	2,325	11,906	13,204	7,127	33,882
Qualifying distributions	34,263	1,420	1,536	5,478	6,591	3,231	16,008
Disbursements for charitable purposes	33,323	1,414	1,478	5,442	6,492	3,175	15,321
Contributions, gifts, and grants paid	30,644	1,278	1,391	5,176	6,035	2,890	13,873
Operating and administrative expenses	2,679	137	87	266	457	285	1,448
Compensation of officers, directors, and trustees	397	12	12	65	93	49	166
Other compensation	752	7	14	40	79	61	550
Professional fees	630	54	23	75	108	80	290
Interest	34	[1]	[1]	1	7	4	22
Taxes	31	1	1	6	10	4	9
Occupancy	156	1	5	16	23	13	98
Travel, conferences, and meetings	118	3	7	12	16	10	72
Printing and publications	37	1	1	3	6	5	20
Other expenses	523	57	23	47	115	60	221
Tax Year 2006							
Number of returns	74,364	19,509	27,612	21,375	4,473	685	710
Fair market value of total assets [2]	568,145	534	11,790	66,891	94,055	47,910	346,965
Revenue	86,196	777	2,790	12,185	15,848	7,563	47,034
Qualifying distributions	37,635	1,780	2,258	5,449	6,960	3,461	17,727
Disbursements for charitable purposes	36,729	1,776	2,250	5,399	6,866	3,352	17,085
Contributions, gifts, and grants paid	33,850	1,713	2,128	5,117	6,371	3,084	15,438
Operating and administrative expenses	2,879	63	122	282	495	268	1,647
Compensation of officers, directors, and trustees	448	9	27	75	101	48	189
Other compensation	798	[1]	6	38	84	63	606
Professional fees	628	8	24	77	101	87	331
Interest	49	[1]	[1]	4	6	3	36
Taxes	37	1	3	7	11	4	11
Occupancy	157	1	4	12	25	12	104
Travel, conferences, and meetings	141	2	12	14	19	10	83
Printing and publications	35	1	1	4	6	2	20
Other expenses	586	41	45	51	143	39	267

Footnotes at end of table.

Domestic Private Foundations, Tax Years 2003–2007

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Table 2. All Domestic Nonoperating Private Foundations: Selected Data Items, by Size of End-of-Year Fair Market Value of Total Assets, Tax Years 2003–2007, in Current Dollars—Continued

[Money amounts are in thousands of dollars]

Item	Fair market value of total assets						
	All	Small foundations		Medium foundations		Large foundations	
		Less than \$100,000	\$100,000 less than \$1,000,000	\$1,000,000 less than \$10,000,000	\$10,000,000 less than \$50,000,000	\$50,000,000 less than \$100,000,000	\$100,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Tax Year 2007							
Number of returns	77,457	19,255	29,472	22,695	4,594	733	707
Fair market value of total assets [3]	601,621	519	12,511	70,451	97,024	51,179	369,937
Revenue	99,039	828	3,211	14,140	17,185	9,006	54,668
Qualifying distributions	45,575	2,445	1,993	6,492	8,123	4,142	22,380
Disbursements for charitable purposes	44,547	2,429	1,982	6,426	8,004	4,071	21,635
Contributions, gifts, and grants paid	41,268	2,339	1,834	6,100	7,441	3,764	19,790
Operating and administrative expenses	3,279	90	148	325	563	307	1,846
Compensation of officers, directors, and trustees	483	7	25	88	111	51	200
Other compensation	933	[1]	15	40	105	108	665
Professional fees	733	19	49	90	140	58	377
Interest	46	[1]	[1]	5	8	4	29
Taxes	43	[1]	4	8	14	5	11
Occupancy	182	1	4	15	25	14	123
Travel, conferences, and meetings	186	28	10	13	22	10	102
Printing and publications	40	2	2	3	6	2	24
Other expenses	632	31	38	62	131	55	315

[1] Less than \$500.

[2] The total assets amounts differ from those previously published for Tax Year 2006. The Bill and Melinda Gates Foundation reported "other investments," valued at fair market value of \$29.6 billion. This amount represented the foundation's interest in the Bill and Melinda Gates Foundation Trust. These assets were also reported by the Bill and Melinda Gates Foundation Trust on its Form 990-PF. For statistical purposes, the data shown in columns 1 and 7 were reduced by \$29.6 billion to avoid overstating these joint assets.

[3] The Bill and Melinda Gates Foundation reported "other investments," valued at fair market value of \$38.7 billion. This amount represented the foundation's interest in the Bill and Melinda Gates Foundation Trust. These assets were also reported by the Bill and Melinda Gates Foundation Trust on its Form 990-PF. For statistical purposes, the data shown in columns 1 and 7 were reduced by \$38.7 billion to avoid overstating these joint assets.

NOTE: Detail may not add to total due to rounding and processing tolerances.

Controlled Foreign Corporations, 2006

by Lee Mahony and Randy Miller

For Tax Year 2006, foreign corporations controlled by U.S. multinational corporations held \$11.7 trillion in assets and reported receipts of \$4.8 trillion. These controlled foreign corporations (CFCs) paid \$98.6 billion in foreign income taxes on \$509.5 billion of earnings and profits (E&P) before income taxes. CFC assets and receipts both increased by nearly 27 percent from Tax Year 2004, while E&P and foreign taxes paid increased by slightly more than 40 percent.

More than 78.0 percent, or 61,147, of CFCs for Tax Year 2006 were concentrated in three major industrial sectors: (1) goods production; (2) distribution and transportation of goods; and (3) services. These three industrial sectors accounted for 82.3 percent of total receipts (\$4.0 trillion), 67.2 percent of E&P (less deficit) before income taxes (\$342.3 billion), and 59.6 percent of income taxes (\$58.8 billion). Foreign corporations in the finance, insurance, real estate, and rental and leasing sector held 48.7 percent of total CFC assets (\$5.7 trillion) while generating only 10.7 percent of total CFC receipts (\$513.4 billion) and 18.5 percent of total CFC E&P (less deficit) before income taxes (\$94.0 billion).

For Tax Year 2006, 78,249 CFCs were incorporated in 187 different countries.¹ More than 43 percent, or 34,158, of these CFCs were incorporated in Europe. Slightly more than 91 percent of these European CFCs were located in European Union countries. Latin American and Asian CFCs represented 13.9 percent and 21.4 percent of all CFCs, respectively.

Controlled Foreign Corporations

Direct foreign investment by U.S. persons may take several forms, including foreign branches, partnerships, and separate corporations. This article deals

with the use of the corporation as a vehicle for direct foreign investment. For U.S. income tax purposes, a foreign corporation is “controlled” if U.S. shareholders own more than 50 percent of its outstanding voting stock, or more than 50 percent of the value of all its outstanding stock (directly, indirectly, or constructively) on any day during the foreign corporation’s tax year. A “noncontrolled” foreign corporation is any foreign corporation that fails to meet either of the above requirements for control. For purposes of determining control, a U.S. shareholder is defined as a U.S. person who owns 10 percent or more of the foreign corporation’s total combined voting stock.² However, for Statistics of Income purposes, a foreign corporation is controlled only if one U.S. corporation satisfies either of the above 50-percent ownership requirements for an uninterrupted period of at least 30 days during the foreign corporation’s tax year.³ For Tax Year 2006, there were 11,873 U.S. corporations that held such control over at least one foreign corporation.

In general, the income of a CFC is not taxable to the U.S. shareholders until repatriated in the form of a dividend. Prior to 1962, U.S. taxpayers could defer U.S. tax on such income indefinitely by accumulating this income in a CFC. To address the potential for tax avoidance, Congress enacted the Subpart F provisions of the Internal Revenue Code in 1962.⁴ These provisions require certain items of income to be treated as dividends deemed paid to the U.S. shareholders and, therefore, subject to current U.S. taxation. Currently, a U.S. shareholder of a CFC may be required to include in gross income the shareholder’s ratable share of the CFC’s: (1) Subpart F income (see *Subpart F income* in the *Explanation of Selected Terms* section of this article); (2) earnings invested in U.S. property; (3) previously excluded Subpart F income withdrawn from “qualified investments” in less developed countries; (4) previously excluded export trade income withdrawn from investment in export trade assets; and (5) factoring income (income derived from the acquisition of a trade or service receivable).

Lee Mahony and Randy Miller are economists with the Special Studies Returns Analysis Section. This article was prepared under the direction of Chris Carson, Chief.

¹ Based on unpublished data.

² The current definition of a controlled foreign corporation is provided in Internal Revenue Code section 957. Ownership attribution rules are provided in section 958.

³ The statistics in this article pertain only to foreign corporations for which one U.S. corporation satisfies the requirements for control. Generally, complete Form 5471 filings are required only for foreign corporations controlled by a single U.S. shareholder (i.e., those shareholders meeting the definition of a “Category of Filer 4” taxpayer per the Form 5471 instructions). Partial filing requirements exist for noncontrolled foreign corporations and for controlled foreign corporations that are not controlled by a single U.S. shareholder. For more details, refer to the instructions for Form 5471.

⁴ The prevention of tax avoidance was a primary tax policy objective that led to the enactment of the Subpart F provisions of the Internal Revenue Code. Other policy considerations also contributed to the enactment of Subpart F. For more detailed information on the history of Subpart F, see “*The Deferral of Income Earned Through U.S. Controlled Foreign Corporations: A Policy Study*,” Office of Tax Policy, Department of the Treasury, December 2000.

Controlled Foreign Corporations, 2006

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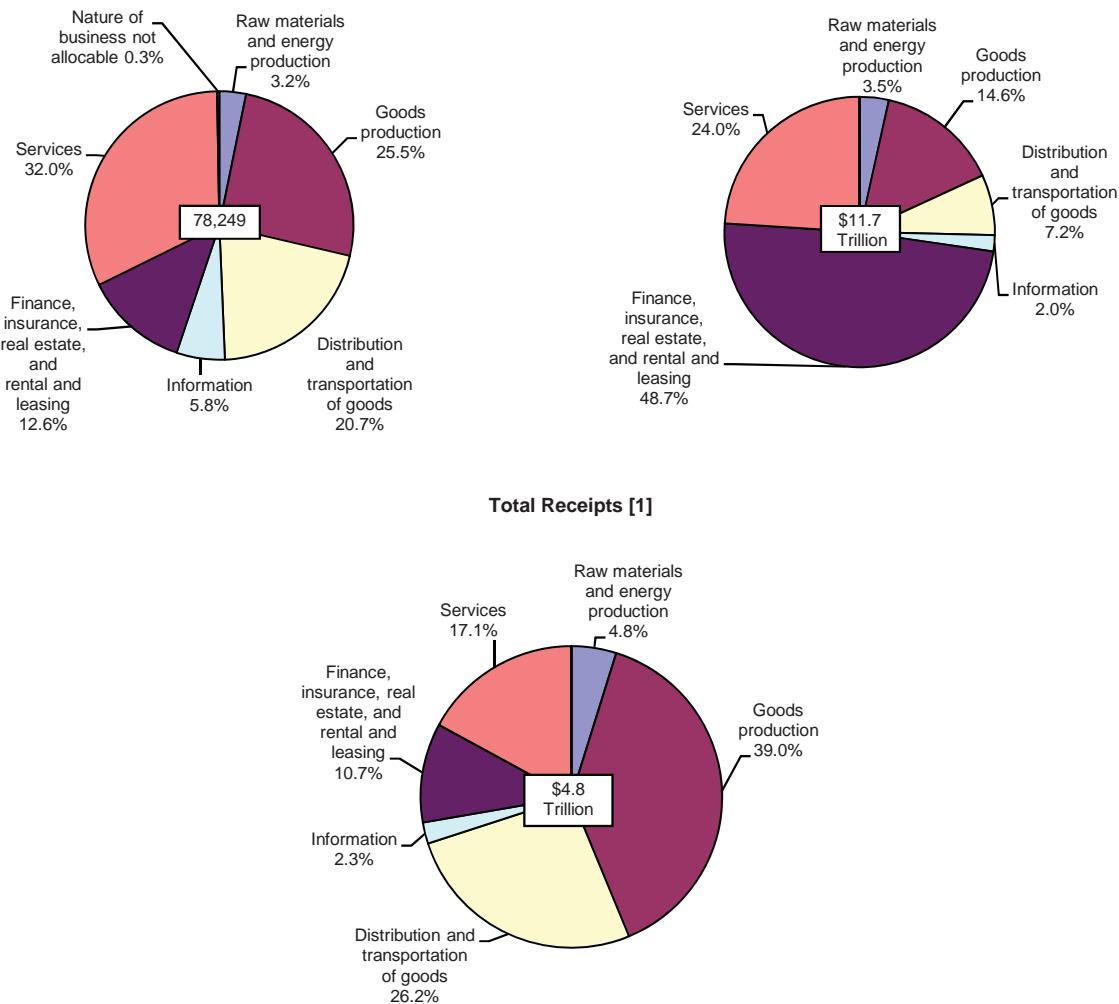
CFCs by Industrial Sector

For Tax Year 2006, goods producers accounted for 14.6 percent of end-of-year assets and 39.0 percent of total receipts (see Figure A). These CFCs earned 28.0 percent of the E&P (less deficit) before income taxes for all corporate-owned CFCs. Goods producers paid \$25.3 billion of foreign taxes, representing 25.7 percent of all taxes paid by CFCs. Chemical,

computer and electronic products, petroleum and coal products, and transportation equipment manufacturers collectively reported 52.7 percent of end-of-year assets, 58.3 percent of total receipts, and 51.8 percent of E&P (less deficits) before income taxes for all goods producers. Chemical manufacturers alone generated 25.5 percent of the E&P (less deficit) before income taxes and 20.8 percent of the foreign income taxes reported by all goods producers. Within

Figure A

U.S. Corporations and Their Controlled Foreign Corporations: Number, End-of-Year Assets, and Receipts, by Industrial Sector of Controlled Foreign Corporation, Tax Year 2006



[1] Includes "Nature of business not allocable," not shown separately.
NOTE: Detail may not add to 100 percent because of rounding.

Controlled Foreign Corporations, 2006

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the goods production sector, beverage manufacturers experienced tremendous growth from Tax Year 2004 to Tax Year 2006. The number of beverage manufacturers increased by 48.9 percent, while assets and receipts for these CFCs increased by 51.7 percent and 37.6 percent, respectively. Conversely, paper manufacturers experienced a large decline from Tax Year 2004 to Tax Year 2006. The number of paper manufacturers fell 39.5 percent, while the assets and receipts for these CFCs fell 46.2 percent and 20.0 percent, respectively.

For Tax Year 2006, CFCs engaged in finance, insurance, real estate, and rental and leasing held 48.7 percent of all assets while generating only 10.7 percent of the total receipts and 18.5 percent of the E&P (less deficit) before income taxes reported by all CFCs. The number of CFCs in this sector increased 12.4 percent from Tax Year 2004, while assets and receipts both increased by more than 44 percent. More than \$4.9 trillion, or 86.9 percent, of the assets reported for this industrial sector were attributable to finance corporations. These finance corporations generated 70.2 percent of receipts and 76.8 percent of the E&P (less deficit) before income taxes for this industrial sector. Insurance subsidiaries reported nearly \$0.6 trillion in assets and a little more than \$0.1 trillion in receipts, representing 10.0 percent and 22.8 percent of the total assets and total receipts for this sector, respectively.

There were more CFCs in the services sector than any other industrial sector. For Tax Year 2006, 32.0 percent of all CFCs were classified as service corporations. Service providers reported nearly \$2.8 trillion in assets and more than \$0.8 trillion in receipts. However, excluding management and holding companies, CFCs classified in the services sector reported only \$0.5 trillion in assets and \$0.4 trillion in receipts.

Every major industrial sector showed increases in total receipts and E&P (less deficit) before income taxes between Tax Year 2004 and Tax Year 2006. CFCs engaged in raw materials and energy production reported an 82.1-percent increase in total receipts, the largest of any major industrial sector. CFCs engaged in finance, insurance, real estate, and rental and leasing also reported a substantial increase in total receipts during this period (44.2 percent). These CFCs reported a 62.5-percent increase in E&P (less deficit) before income taxes, second only to the 93.1-percent increase for CFCs in the raw materi-

als and energy production sector. At the subsector level, CFCs in several industries related to internet services experienced significant growth between Tax Year 2004 and Tax Year 2006. Within the retail trade sector, CFCs engaged in electronic shopping and mail-order houses saw their assets increase by 249.5-percent and total receipts increase by 184.9 percent. These CFCs reported a 210.5-percent increase in E&P (less deficit) before taxes. Within the information sector, CFCs engaged in internet service, web search, and data processing experienced a 106.5-percent increase in assets and a 151.4-percent increase in total receipts. These CFCs reported a 491.3-percent increase in E&P (less deficit) before income taxes. Internet publishing and broadcasting CFCs reported a 67.1-percent increase in assets and an 80.6-percent increase in total receipts.

Geographic Distribution of CFCs

Figure B shows the geographic distribution of CFCs by major region of incorporation. For Tax Year 2006, Europe remained the dominant region for CFC activity. Europe alone accounted for 59.6 percent of end-of-year assets, 50.8 percent of total receipts, and 46.8 percent of E&P (less deficit) before income taxes for all CFCs. European CFCs paid 44.1 percent of the \$98.6 billion of foreign income taxes reported by all CFCs for Tax Year 2006. Within Europe, most CFC activity was concentrated in European Union (EU) countries. Nearly 92 percent of European CFCs were incorporated in EU countries. These CFCs reported 93.5 percent of ending assets, 88.1 percent of total receipts, and 82.2 percent of E&P (less deficit) before income taxes for all European CFCs. More than 49 percent of European CFCs not incorporated in EU countries were incorporated in Switzerland. These Swiss CFCs accounted for 73.9 percent of ending assets, 85.1 percent of receipts, and 77.0 percent of E&P (less deficit) before income taxes for non-EU European CFCs.

Other Western Hemisphere countries (which includes Canada and Caribbean countries but excludes Central and South America) and Asia also were significant regions of CFC activity. CFCs conducting business in the Other Western Hemisphere countries held 21.8 percent of all CFC end-of-year assets and reported 21.2 percent of all CFC receipts. These CFCs reported 26.4 percent of the E&P (less deficit) before income taxes and paid 26.1 percent of the

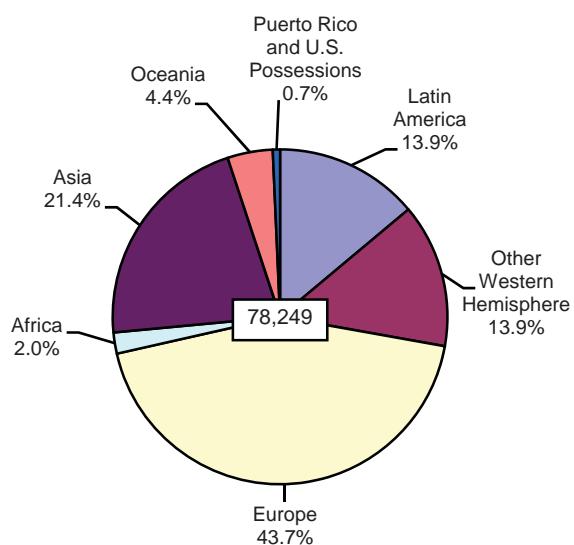
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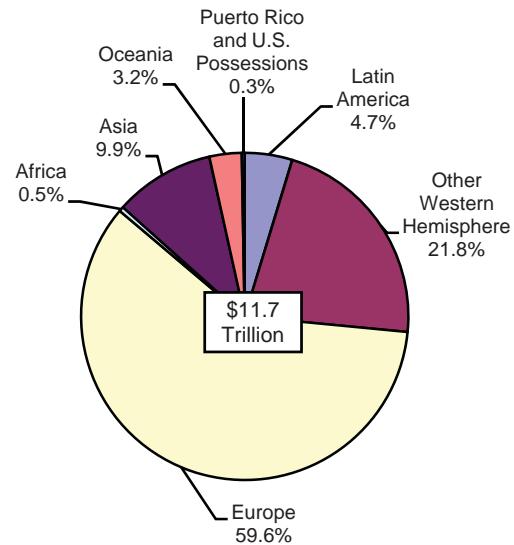
Figure B

U.S. Corporations and Their Controlled Foreign Corporations: Number, End-of-Year Assets, Receipts, and Earnings, by Geographic Region of Incorporation of Controlled Foreign Corporation, Tax Year 2006

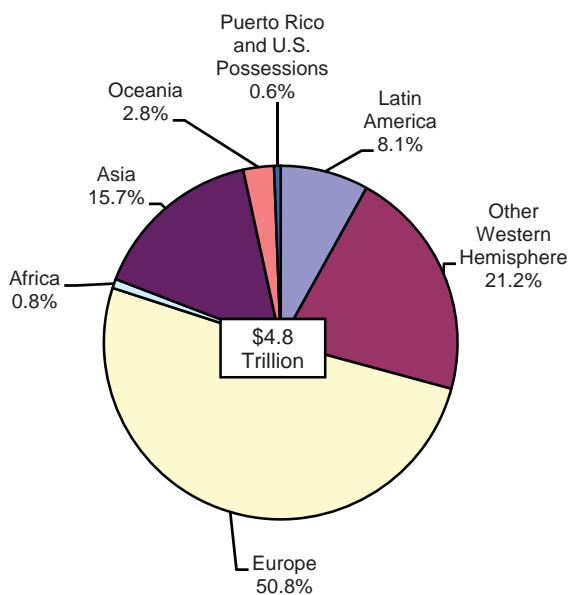
Number of Controlled Foreign Corporations



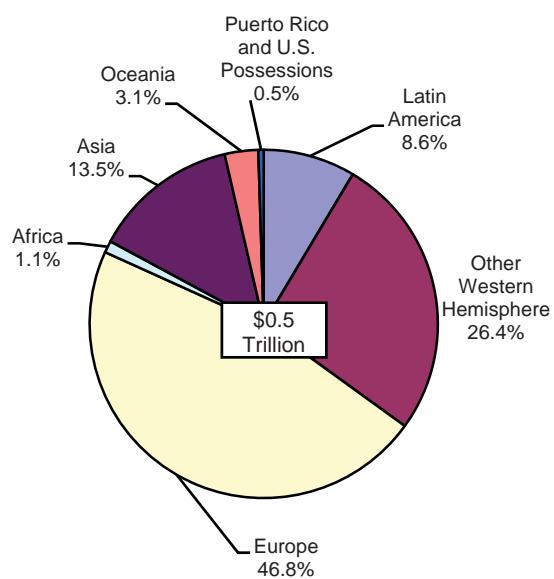
End-of-Year Assets



Total Receipts



Current Earnings and Profits [1]



[1] Less deficits and before income taxes.

NOTE: Detail may not add to 100 percent because of rounding.

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foreign income taxes paid by all CFCs. Within the Other Western Hemisphere region, Canada was home to most CFC activity. Canadian CFCs generated 57.0 percent of the total receipts for this region. Canadian CFCs accounted for 31.4 percent of the E&P (less deficit) before income taxes, and 43.2 percent of the foreign income taxes for CFCs in this region. With 6,935 CFCs, Canada had more CFCs than any other country except the United Kingdom (8,688). CFCs in Asia reported 9.9 percent of the ending assets, 15.7 percent of the total receipts, and 13.5 percent of the E&P (less deficit) before income taxes for all CFCs. More CFC economic activity occurred in Japan than any other Asian country. Japanese CFCs accounted for 41.0 percent of the ending assets, 27.9 percent of the total receipts, and 22.8 percent of the E&P (less deficit) before income taxes reported by all Asian CFCs. For Tax Year 2006, there were more CFCs incorporated in China (3,426) than any other Asian country, including Japan (2,554). In fact, for Tax Year 2006, only four countries had more CFCs than China.⁵ For Tax Year 2006, Japan (\$211.5 billion) and Singapore (\$122.6 billion) were the only Asian countries that accounted for more CFC receipts than China (\$82.1 billion).

The two geographic groupings with the smallest CFC representation were Africa and U.S. Possessions (including Puerto Rico). Only 2.7 percent of all CFCs were incorporated in these two regions. Collectively, these two regions accounted for 0.8 percent of end-of-year assets, 1.4 percent of total receipts, and 1.6 percent of E&P (less deficit) before income taxes for all CFCs. Within Africa, most CFC activity was concentrated in five countries. Egypt, Liberia, Mauritius, Nigeria, and South Africa collectively accounted for 90.2 percent of ending assets, 83.6 percent of the total receipts, and 96.8 percent of the E&P (less deficit) before income taxes for all African CFCs. South Africa alone had 40.1 percent of African CFCs. South African CFCs reported 25.9 percent of the ending assets, 52.2 percent of the total receipts, and 36.3 percent of the E&P (less deficit) before income taxes reported by all African CFCs. Most CFC activity in the U.S. possessions is attributable to Puerto Rico. Puerto Rican CFCs held 81.4 percent of ending assets and generated 92.1 percent of the total receipts reported by all CFCs operating in

the U.S. possessions. For Tax Year 2006, the average tax rate for CFCs incorporated in Puerto Rico and U.S. Possessions was 14.1 percent, compared to the average tax rate of 19.4 percent for all other CFCs [see *Average tax rate* in the Explanation of Selected Terms at the end of this article]. CFCs incorporated in African countries had the highest average tax rate of any region at 24.0 percent.

Between Tax Year 2004 and Tax Year 2006, the number of CFCs increased by only 4.8 percent. However, CFC assets and receipts increased by 26.6 percent and 27.0 percent, respectively. Asia was the only major geographic region to experience a double-digit percentage increase in the number of CFCs between Tax Year 2004 and Tax Year 2006. The number of Asian CFCs increased by 16.9 percent during this period. This increase is largely attributable to the 51.3-percent increase in Chinese CFCs. Chinese CFCs reported a 71.4-percent increase in ending assets and a 70.6-percent increase in receipts. Despite this growth, Chinese CFCs reported only 13.8 percent of the ending assets and 38.8 percent of the receipts reported by Japanese CFCs for Tax Year 2006.

Profitability

For purposes of this article, two measures are used to assess pretax profitability for CFCs: rate of return on assets and profit margin. Rate of return on assets is defined as current E&P (less deficit) before income taxes divided by end-of-year assets. Profit margin is defined as current E&P (less deficit) before income taxes divided by total receipts.

For Tax Year 2006, profitability measures varied among the six different major industrial sectors. CFCs engaged in raw materials and energy production reported both the highest rate of return on assets (15.8 percent) and the highest profit margin (27.6 percent). The high profitability of this sector is attributable to CFCs in the mining subsector. The return on assets and profit margin for mining CFCs were 17.0 percent and 31.3 percent, respectively. CFCs in the utilities subsector reported a 10.3 percent return on assets and a 15.7 percent profit margin, while CFCs engaged in agriculture, forestry, and fishing reported only a 7.4-percent rate of return on assets and an 8.0-percent profit margin.

⁵ The countries with the most CFCs are: United Kingdom (8,688), Canada (6,935), Mexico (4,701), Germany (4,160), China (3,426), France (3,381), Netherlands (3,123), Australia (2,651), Japan (2,554), and Hong Kong (1,978).

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CFCs engaged in the goods production and distribution and transportation of goods sectors reported the next highest return on assets percentages (8.3 percent and 8.2 percent, respectively). These CFCs, however, also reported the lowest profit margins of any sector (7.6 percent and 5.5 percent, respectively). Conversely, CFCs in the finance, insurance, real estate, and rental and leasing sector reported the second highest profit margin (18.3 percent), while reporting the lowest return on assets (1.7 percent).

Distributions of Earnings and Profits

For Tax Year 2006, CFCs distributed \$188.6 billion of E&P to U.S. and foreign shareholders. Nearly 66 percent of distributions of E&P were not previously taxed E&P (\$124.5 billion), while the remainder was distributed from previously taxed E&P (\$64.2 billion). Nearly 33 percent of CFC distributions (or \$61.6 billion) represented taxable dividends to the U.S. parent corporation.

The majority of distributions of E&P are attributed to CFCs doing business in the goods production and services sectors. These two industrial sectors distributed \$105.0 billion of E&P or 55.7 percent of total distributions. Of this total, \$71.2 billion were from not previously taxed E&P, with the remaining \$33.8 billion coming from previously taxed E&P.

Almost 21.4 percent of the distributions by goods producers were attributable to chemical manufacturers, while an additional 12.3 percent were attributable to manufacturers of computers and electronic products. CFCs classified as management companies reported 83.2 percent of the distributions to shareholders reported by all services CFCs. CFCs engaged in oil and gas extraction accounted for 71.0 percent of all distributions from the raw materials and energy production sector and 8.5 percent of distributions from all CFCs.

European based CFCs accounted for 46.8 percent (\$88.3 billion) of all distributions of E&P. Nearly 58.1 percent of these distributions were from not previously taxed E&P (\$51.3 billion), with the remainder distributed from previously taxed E&P (\$37.0 billion). CFCs incorporated in European Union countries made 87.1 percent of all shareholder distributions by European CFCs. CFCs in the Other Western Hemisphere region distributed \$49.8 billion of E&P in Tax Year 2006, or 26.4 percent of all distributions. Canadian CFCs accounted for 42.2 percent of these distributions; CFCs in Bermuda and the Cayman Islands accounted for 22.3 percent and 20.7 percent, respectively.

Figure C displays taxable payout ratios by industrial sector. The taxable payout ratio is defined as taxable dividends paid to a U.S. person by a CFC

Figure C

U.S. Corporations and Their Controlled Foreign Corporations: Number of Foreign Corporations with Positive Current Earnings and Profits Net of Current Year Subpart F Income and Taxable Payout Ratios, by Industrial Sector of Controlled Foreign Corporation, Tax Year 2006

[Money amounts are in thousands of dollars]

Industrial sector of Controlled Foreign Corporation	Number of foreign corporations with positive current earnings and profits net of current year Subpart F income	Positive current earnings and profits net of current year Subpart F income [1]	Taxable payout ratio (percentage)
All industries	44,971	400,854,698	9.7
Raw materials and energy production	1,099	42,145,204	20.3
Goods production	12,542	122,123,239	7.7
Distribution and transportation of goods	10,364	52,193,865	9.9
Information	2,212	12,854,861	6.4
Finance, insurance, real estate, and rental and leasing	5,416	68,677,875	6.0
Services	13,255	102,823,364	10.6
Nature of business not allocable	83	36,289	2.1

[1] Amounts are multiplied by the total percentage of voting stock owned by the Form 5471 filer at the end of its annual accounting period.

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with positive current E&P net of current-year Subpart F income divided by positive current E&P net of current-year Subpart F income (see definitions of U.S. person, *Current earnings and profits, and Subpart F income* in the Explanation of Selected Terms at the end of this article). For Tax Year 2006, CFCs reported a taxable payout ratio of 9.7 percent, slightly higher than the 8.8-percent ratio for Tax Year 2004. CFCs in the raw materials and energy production sector reported the largest taxable payout ratio (20.3 percent). This percentage is nearly double the 10.6 percent reported for the services sector, the sector with the next highest taxable payout ratio.

CFCs and Foreign Disregarded Entities

A foreign disregarded entity (FDE) is an entity that is created or organized outside the United States and is disregarded as a separate entity from its tax owner for U.S. income tax purposes. The tax owner is treated as owning all the FDE's assets and liabilities. The tax owner is typically a U.S. or foreign corporation or partnership. FDEs are created for various international tax planning reasons, including subpart F and foreign tax credit planning. The statistics presented below pertain only to FDEs with tax owners that are controlled foreign corporations.

Figure D

Foreign Disregarded Entities Owned by Controlled Foreign Corporations: Number of Foreign Disregarded Entities, End-of-Year Total Assets, and Current Earnings and Profits (Less Deficit) After Income Taxes, by Selected Country of Incorporation of Foreign Disregarded Entity, Tax Year 2006

[Money amounts are in thousands of dollars]

Selected country of incorporation of foreign disregarded entity	Number of foreign disregarded entities	End-of-year total assets	Current earnings and profits (less deficit) after income taxes
			(1)
All geographic regions	13,755	3,574,647,024	107,192,531
Latin America, total	741	85,173,903	4,438,599
Brazil	188	30,623,981	1,334,149
Mexico	297	38,443,176	1,776,680
Other Western Hemisphere, total	1,279	492,864,385	27,137,950
Bermuda	235	79,588,939	11,613,336
Canada	301	148,351,238	5,621,451
Cayman Islands	449	169,791,583	5,495,275
Europe, total	9,107	2,766,537,931	58,256,785
European Union, total	8,506	2,608,408,798	48,142,673
Belgium	221	42,395,902	-236,460
France (including Corsica, Guadeloupe, Martinique, and Reunion)	924	107,146,751	625,866
Germany	1,191	153,915,445	2,864,542
Ireland	497	239,221,202	19,792,370
Italy	377	36,850,676	727,235
Luxembourg	375	370,899,675	623,366
Netherlands	1,236	322,253,655	9,355,645
Spain (including Canary Isles)	307	44,568,149	599,133
Sweden	340	37,696,433	265,431
United Kingdom and Northern Ireland (including Gibraltar)	2,132	1,182,469,860	9,277,509
Other European countries, total	601	158,129,133	10,114,442
Switzerland	274	86,113,667	7,506,574
Africa, total	247	13,848,320	634,065
Asia, total	1,648	112,831,588	14,529,693
China	501	23,730,369	3,784,146
Hong Kong	335	32,444,812	1,926,725
Singapore	257	29,266,206	6,091,737
Oceania, total	718	102,993,510	2,194,460
Australia	537	97,398,160	1,715,351
Puerto Rico and U.S. Possessions, total	15	397,386	981

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For Tax Year 2006, controlled foreign corporations were tax owners of 13,755 FDEs. These foreign disregarded entities reported nearly \$3.6 trillion in assets and \$107.2 billion in E&P (less deficit) after taxes. Foreign disregarded entities owned by controlled foreign corporations operated in 141 different countries.⁶ Figure D displays foreign disregarded entity data by geographic region and selected country of incorporation. For Tax Year 2006, 66.2 percent of foreign disregarded entities owned by CFCs were incorporated in European countries. European FDEs accounted for 77.4 percent of the ending assets and 54.3 percent of the E&P (less deficit) after income taxes reported for all FDEs. More than 93 percent of European FDEs were incorporated in European Union countries. European Union FDEs accounted for 94.3 percent of the assets and 82.6 percent of the E&P (less deficit) after taxes reported for all European FDEs. The United Kingdom domiciled 15.5 percent of all FDEs for Tax Year 2006, far more than any other country. United Kingdom FDEs reported nearly \$1.2 trillion in end-of-year assets, more than 33 percent of all FDE assets. FDEs organized in Ireland and Bermuda generated more E&P (less deficit) after taxes than any other countries, reporting \$19.8 billion and \$11.6 billion, respectively.

Figure E presents FDE data by industrial sector. For Tax Year 2006, nearly 33 percent of FDEs operated in the services sector. These services FDEs reported \$1.1 trillion in assets, second only to FDEs in the finance, insurance, real estate, and rental and leasing sector (\$1.3 trillion). FDEs engaged in goods production and services reported \$31.5 billion and \$26.0 billion in E&P (less deficit) after income taxes, respectively. Together the goods production and services sector accounted for 53.7 percent of all FDE earnings.

Data Sources and Limitations

The statistics presented in this article are based on information collected from corporate income tax returns (Form(s) 1120) with accounting periods ending July 2006 through June 2007 and their attached Form(s) 5471, *Information Return of U.S. Persons With Respect to Certain Foreign Corporations*. A U.S. corporation is required by Internal Revenue Service regulations to submit a Form 5471 for any controlled foreign corporation (CFC) with an accounting period ending with or within the U.S. parent's accounting period. Thus, the accounting periods for Tax Year 2006 CFCs may have ended as early as July 2005 and as late as June 2007. However, most CFC activity occurred in Calendar Year 2006. These

Figure E

Foreign Disregarded Entities Owned by Controlled Foreign Corporations: Number of Foreign Disregarded Entities, End-of-Year Total Assets, and Current Earnings and Profits (Less Deficit) After Income Taxes, by Industrial Sector of Foreign Disregarded Entity, Tax Year 2006

[Money amounts are in thousands of dollars]

Industrial sector of "Category of Filer 4" foreign disregarded entity	Number of foreign disregarded entities	End-of-year total assets	Current earnings and profits (less deficit) after income taxes
	(1)	(2)	(3)
All industries	13,755	3,574,647,024	107,192,531
Raw materials and energy production	658	137,747,618	12,942,084
Goods production	2,933	588,143,685	31,500,841
Distribution and transportation of goods	2,466	192,258,008	13,516,884
Information	794	296,280,812	12,837,212
Finance, insurance, real estate, and rental and leasing	2,214	1,268,219,785	10,285,337
Services	4,525	1,078,116,218	26,010,065
Nature of business not allocable	166	13,880,898	100,108

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

⁶ Based on unpublished data.

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statistics report data for active foreign corporations controlled by U.S. corporations (see definition of *Active versus inactive Controlled foreign corporations* in the Explanation of Selected Terms).

Coefficient of variation (CV) tables are not provided because these data are not subject to significant sampling error. For example, CFCs sampled at a 100-percent rate accounted for 96.7 percent of the sampled returns and nearly 87.5 percent of the estimated population. Furthermore, CFCs sampled at a 100-percent rate accounted for 99.7 percent of the total ending assets for all CFCs.⁷ However, these data may be subject to nonsampling error.

Several limitations apply when making comparisons to prior-year statistics. First, the data in this article are based upon a sample of U.S. corporations. For Tax Year 2006, this sample generally includes all CFCs controlled by U.S. corporations with \$50 million or more in total assets or \$5.0 million or more in “proceeds” and all CFCs filed by U.S. corporations with less than \$50 million in the SOI corporate sample.⁸ The sample for the Tax Year 2006 CFC statistics is far more inclusive than studies conducted before Tax Year 2004, which included only the 7,500 largest CFCs controlled by U.S. corporations with \$500 million or more in total assets.

Second, statistics previously published by Statistics of Income for tax years before 1986 were for all CFCs controlled by U.S. corporations with total assets of \$250 million or more, and were not limited to the 7,500 largest active CFCs controlled by U.S. corporations with total assets of \$500 million or more. Therefore, the statistics for these years include smaller and also inactive CFCs. For this reason, comparisons between statistics on the largest CFCs and statistics for years before 1986 should be made with caution.

Finally, fluctuations in exchange rates can have significant effects on the reported statistics. Financial statistics that are translated using current (as opposed to historical) rates of exchange can be distorted by large exchange rate fluctuations. For example, the weakening of the U.S. dollar against many currencies from Tax Year 2002 to Tax Year 2004 certainly contributed to the large increases in some of the statistics during that period. The U.S. dollar gen-

erally fluctuated far less against most major currencies between Tax Year 2004 and Tax Year 2006 than it had between Tax Year 2002 and Tax Year 2004.

Caution should also be used when comparing data by industrial groupings. Beginning with Tax Year 1998, CFCs were classified under the North American Industry Classification System (NAICS), which differs from the Standard Industrial Classification (SIC) system used before Tax Year 1998. While most industries were not affected by the implementation of NAICS, the groupings of some economic activities were changed. The most significant change was the movement of the management of companies and enterprises sector from finance, insurance, and real estate under the SIC system to the services sector under NAICS. Furthermore, CFCs were classified by industry based on their principal business activity as reported on Form 5471. However, assets, receipts, and profits may have also been related to secondary business activities. It is not possible to measure the extent of these secondary business activities due to these activities not being detailed on Form 5471.

The data reported on Form 5471 generally represent the financial information of each foreign corporation and not the amounts attributable to the U.S. shareholder filing the Form 5471. Data reported on Form 5471, Schedule I are the exception to this general rule. The Subpart F income and dividends received reported on Schedule I represent the amount of foreign dividends taxable to the U.S. shareholder filing the Form 5471.

The foreign disregarded entity data cited in this article are reported on Form 8858, *Information Return of U.S. Persons With Respect to Foreign Disregarded Entities*. The FDE data in this article pertain only to active FDEs that are owned by controlled foreign corporations. Data attributable to inactive FDEs and FDEs that are owned by foreign partnerships or U.S. entities are excluded from the statistics in this article. The sampling procedures used for Forms 8858 mirror those described above for Forms 5471.

As mentioned above, the tax owners of FDEs are treated as owning all FDE assets and liabilities. Consequently, CFCs that are tax owners of FDEs include the earnings and profits of their FDEs in their current E&P. To the extent that FDEs are incor-

⁷ Based on unpublished data.

⁸ See Statistics of Income, *Corporation Income Tax Returns, 2006* for a more complete description of the SOI Corporate sample. The SOI Corporate sample is the basis for the SOI Controlled Foreign Corporation sample. In other words, the Controlled Foreign Corporation sample includes every Form 5471 filed by each corporation in the SOI Corporate sample.

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Figure F

Foreign Disregarded Entities Incorporated in Different Countries than Their Controlled Foreign Corporation Tax Owners: Number of Foreign Disregarded Entities and Current Earnings and Profits (Less Deficit) After Income Taxes, by Selected Country of Incorporation of Foreign Disregarded Entity, Tax Year 2006

[Money amounts are in thousands of dollars]

Selected country of incorporation of foreign disregarded entity	Number of foreign disregarded entities	Current earnings and profits (less deficit) after income taxes
All geographic regions	8,775	55,335,169
Selected countries, total	6,083	49,522,842
Ireland	270	10,214,405
Netherlands	590	7,206,032
Switzerland	164	4,804,836
United Kingdom and Northern Ireland (including Gibraltar)	964	4,076,307
Singapore	226	3,329,664
Cayman Islands	228	3,279,003
China	469	2,588,331
Hong Kong	264	1,621,743
Jersey	54	1,608,330
Germany	720	1,204,497
Portugal (including Azores)	60	986,244
Mexico	162	886,384
Denmark	127	837,528
Bermuda	90	824,063
Brazil	155	823,869
Malaysia	91	822,651
Canada	111	729,186
Slovakia	32	570,603
Hungary	89	493,075
Australia	247	425,205
Barbados	32	396,223
Bahamas	16	378,391
Luxembourg	244	376,596
Costa Rica	21	368,820
Japan (including Okinawa and Ryukyu Islands)	40	365,126
Italy	328	331,585
Norway	88	317,583
Belgium	200	-343,437

porated in different countries than their tax owners, the geographic statistics for CFCs presented in this article may misrepresent, to some degree, the true geographic source of these earnings and profits. For Tax Year 2006, 63.8 percent of FDEs owned by CFCs were incorporated in a different country than their tax owner. These FDEs accounted for 46.5 percent of the assets and 51.6 percent of the E&P (less deficit) after income taxes reported by FDEs with tax owners that

are CFCs. Figure F presents selected geographic data for FDEs incorporated in countries different than their tax owners. For Tax Year 2006, \$55.3 billion of E&P (less deficit) after income taxes reported by CFCs were earned by FDEs outside of the CFCs' country of incorporation. Table 4 shows CFC data attributable to FDEs by FDE country within CFC country.

Similarly, the industrial data presented in this article may be somewhat distorted because FDEs may have different industry codes than the CFCs that own them. Table 5 shows CFC data attributable to FDEs by FDE industrial sector within CFC industrial sector. For Tax Year 2006, 47.5 percent of FDEs operated in a different industrial sector than their CFC owners. These FDEs accounted for 42.7 percent of the assets and 46.2 percent of the E&P (less deficit) after income taxes reported by all CFC-owned foreign disregarded entities. For Tax Year 2006, 23.7 percent of the E&P (less deficit) after income taxes for CFCs in the distribution and transportation of goods sector were attributable to FDEs operating in a different industrial sector. Similarly, 21.5 percent of the E&P (less deficit) after income taxes reported by CFCs in the services sector were attributable to FDEs classified in a different industrial sector.

Explanation of Selected Terms

Active versus inactive controlled foreign corporations—In general, a foreign corporation was considered “active” if earnings and profits, income taxes, receipts, expenses, distributions of E&P, or certain transactions between the foreign corporation and its subsidiaries or majority shareholder were reported on Form 5471, *Information Return of U.S. Persons with Respect to Certain Foreign Corporations*. The filing of Form 5471 was required even if a CFC was dormant or inactive for Tax Year 2006. Only data from active CFCs are included in the statistics in this article, unless otherwise noted.

Average tax rate—For purposes of this article, the average tax rate is defined as income tax divided by E&P (less deficit) before income taxes.

Controlled foreign corporation—Section 957 of the Internal Revenue Code defines a foreign corporation as being “controlled” if more than 50 percent of the total combined voting power of all classes of stock of such corporation entitled to vote, or more than 50 percent of the value of all its outstanding

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stock, is owned (directly, indirectly, or constructively) by U.S. shareholders on any day during the foreign corporation's tax year. A U.S. shareholder for purposes of determining control is defined as a "U.S. person" (see definition below) owning 10 percent or more of the foreign corporation's voting stock. For purposes of these statistics, a foreign corporation was "controlled" only if a single U.S. corporation satisfied the ownership requirements for an uninterrupted period of at least 30 days. These are the only foreign corporations for which complete Form 5471 filings are required. U.S. corporations may also control a CFC through a partnership where the U.S. corporation is the controlling partner. To the extent possible, these CFCs have also been included in these statistics.

Country of incorporation—The country of incorporation is the country under whose laws the CFC is legally created. The CFC's country of incorporation is not necessarily the principal place of business. For Tax Year 2006, 1,532 CFCs (2.0 percent) reported a principal place of business that differed from the reported country of incorporation. Tables 2 and 3 provide data by country of incorporation; data by principal place of business are not included in these statistics.

Current earnings and profits—"Current earnings and profits" represent the difference between total earnings and profits of the foreign corporation at the end of the current year (before reduction by dividends paid during the year) and the accumulated earnings and profits of the corporation at the beginning of the year. Although current earnings and profits typically are an after-tax measure of profits, they are shown in these statistics both before and after taxes. "Earnings and profits" is a tax concept referring to the economic capacity of a corporation to make a distribution to shareholders that is not a return on capital. The term "earnings and profits" is not specifically defined in the Internal Revenue Code. In those instances where current earnings and profits were not reported for the foreign corporation, net income per books was used in place of missing earnings and profits.

Distributions out of earnings and profits—A distribution comes first from current earnings and profits and then from accumulated earnings and profits.

Income taxes—CFCs reported income, war profits, and excess profits taxes paid or accrued to any foreign country or U.S. Possession as income tax for their annual accounting period.

OPEC countries—The member countries of the Organization of Petroleum Exporting Countries for Tax Year 2006 were: Algeria, Angola, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

Previously taxed earnings and profits—This includes any earnings and profit amounts that were subject to U.S. tax in the current year or in a prior year, but not distributed. Previously taxed earnings and profits include amounts related to Subpart F income (see definition below), earnings related to investments in certain U.S. property, previously excluded Subpart F income withdrawn from qualified investments, previously excluded export trade income withdrawn from investment in export trade assets, factoring income, and earnings invested in excess passive assets.

Subpart F income—Internal Revenue Code sections 951 and 952 stipulate specific cases in which earnings and profits are deemed to have been paid by a CFC to a U.S. shareholder. Such income is subject to U.S. tax whether or not it is repatriated to U.S. shareholders in the form of an actual dividend. Internal Revenue Code section 951 requires that U.S. shareholders include in their gross incomes certain undistributed profits of foreign corporations controlled by U.S. shareholders. Subpart F income from a CFC includes certain insurance income of U.S. risks, "foreign base company" income, international boycott participation income, bribes and other illegal payments to foreign government officials, and income from any country which the United States does not recognize or with which it has severed relations, or which repeatedly provides support for acts of international terrorism.

Total receipts—Total receipts equal business receipts (gross receipts from sales and operations) plus income from investment activity. In the statistics reported prior to 1990, "business receipts" were used to describe the larger of "gross receipts from sales and operations" and "total income." The latter is a tax return concept used to describe the sum of business receipts less cost of sales and operations (i.e., gross profit), plus income (less loss) from investments.

U.S. person—A U.S. person can be a U.S. citizen or resident individual, a domestic partnership, a domestic corporation, or an estate or trust (other than a foreign estate or trust whose income from sources outside the United States is not includable in the beneficiaries' gross income).

Controlled Foreign Corporations, 2006

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Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006

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

Industrial sector and selected industrial subsector of Controlled Foreign Corporation	Number of U.S. corporation returns [1]	Controlled Foreign Corporations				
		Number of foreign corporations	Total assets		Total receipts	Current earnings and profits (less deficit) before income taxes
			Beginning of year	End of year		
	(1)	(2)	(3)	(4)	(5)	(6)
All industries	11,873	78,249	9,809,404,944	11,666,004,281	4,819,870,637	509,527,961
Raw materials and energy production	458	2,502	339,159,158	406,666,989	231,754,208	64,077,207
Agriculture, forestry, and fishing	122	432	7,571,063	8,990,068	8,373,384	668,359
Mining	240	1,667	264,278,690	334,796,592	182,128,952	56,920,232
Oil and gas extraction	123	1,120	222,961,489	283,001,561	153,987,654	49,759,276
Mining (except oil and gas)	76	265	29,256,576	38,280,273	17,334,703	5,144,350
Support activities for mining	72	282	12,060,625	13,514,758	10,806,596	2,016,606
Utilities	121	402	67,309,404	62,880,328	41,251,872	6,488,616
Goods production	4,137	19,917	1,559,297,877	1,707,725,994	1,878,079,547	142,386,654
Construction	154	686	14,928,515	16,885,749	22,435,556	2,046,245
Construction of buildings	38	74	2,610,988	3,050,655	4,009,452	317,690
Heavy and civil engineering construction	42	105	1,337,799	1,699,571	1,666,502	153,778
Specialty trade contractors	89	506	10,979,728	12,135,523	16,759,602	1,574,777
Manufacturing	4,023	19,231	1,544,369,363	1,690,840,245	1,855,643,991	140,340,409
Food manufacturing	155	953	96,001,220	98,385,097	112,029,756	6,936,597
Beverage and tobacco product manufacturing	51	397	93,994,892	108,662,588	104,271,874	11,538,203
Beverage manufacturing	45	335	75,030,989	86,523,767	58,121,258	8,073,363
Tobacco manufacturing	8	62	18,963,902	22,138,821	46,150,616	3,464,840
Textile mills and textile product mills	43	112	5,243,255	5,678,997	4,833,864	191,036
Apparel manufacturing	99	342	6,880,445	7,199,889	10,253,847	732,881
Leather and allied product manufacturing	40	71	1,080,754	1,452,982	2,722,952	221,071
Wood product manufacturing	47	120	5,017,779	5,057,504	5,453,328	138,487
Paper manufacturing	78	441	42,304,291	38,536,718	32,820,748	746,835
Printing and related support activities	87	284	6,628,759	8,579,435	6,588,841	377,503
Petroleum and coal products manufacturing	43	166	68,353,464	78,086,802	147,509,774	6,627,209
Chemical manufacturing	402	2,995	377,619,159	367,302,944	272,017,619	36,340,741
Basic chemical manufacturing	82	706	47,563,043	54,427,946	42,281,121	3,504,062
Pharmaceutical and medicine manufacturing	106	461	145,324,671	167,313,249	114,296,840	23,783,246
Soap, cleaning compound, and toilet preparation manufacturing	42	338	20,896,071	23,374,212	25,043,745	2,783,643
Other chemical manufacturing	232	1,489	163,835,374	122,187,536	90,395,913	6,269,791
Plastics and rubber products manufacturing	377	997	48,027,308	49,156,113	45,135,859	2,345,083
Plastics products manufacturing	332	811	34,374,168	33,980,538	26,772,266	1,359,291
Rubber products manufacturing	49	186	13,653,140	15,175,576	18,363,593	985,792
Nonmetallic mineral product manufacturing	91	286	34,294,258	39,309,463	24,284,882	3,760,292
Primary metal manufacturing	130	306	30,213,443	38,656,751	37,333,046	4,727,125
Fabricated metal product manufacturing	427	1,462	43,546,851	53,302,167	48,213,279	3,352,753
Machinery manufacturing	412	1,649	53,356,243	65,552,317	72,067,981	4,386,800
Computer and electronic product manufacturing	745	2,354	184,230,874	194,119,308	281,975,119	23,767,883
Communications equipment manufacturing	136	649	33,936,328	38,405,752	61,322,150	3,450,110
Semiconductor and other electronic component manufacturing	308	921	63,449,829	73,980,091	102,541,455	11,442,045
Other computer and electronic manufacturing	341	784	86,844,717	81,733,464	118,111,514	8,875,728
Electric equipment, appliance, and component manufacturing	495	1,633	58,819,465	75,600,814	79,844,740	5,479,795
Transportation equipment manufacturing	275	1,524	249,437,092	260,543,816	393,960,912	7,055,979
Motor vehicle, vehicle body and trailer, and vehicle parts manufacturing	198	1,213	232,178,161	238,180,046	375,747,279	5,680,199
Other transportation equipment manufacturing	103	311	17,258,930	22,363,770	18,213,633	1,375,780
Furniture and related product manufacturing	43	123	3,242,930	3,485,087	4,148,460	136,958
Miscellaneous manufacturing	919	3,016	136,076,880	192,171,454	170,177,110	21,477,180
Medical and equipment supplies manufacturing	250	827	42,239,677	52,595,704	42,480,774	6,747,089
Other miscellaneous manufacturing	700	2,189	93,837,204	139,575,750	127,696,336	14,730,091

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006

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

Industrial sector and selected industrial subsector of Controlled Foreign Corporation	Number of U.S. corporation returns [1]	Number of foreign corporations	Controlled Foreign Corporations			
			Total assets		Total receipts	Current earnings and profits (less deficit) before income taxes
			Beginning of year	End of year		
	(1)	(2)	(3)	(4)	(5)	(6)
Distribution and transportation of goods	3,221	16,191	780,229,045	843,280,710	1,264,349,512	69,134,073
Wholesale and retail trade	2,968	14,653	744,287,970	801,991,073	1,212,134,708	65,276,958
Wholesale trade	2,367	12,513	589,686,137	633,571,900	856,780,202	52,478,956
Motor vehicle and motor vehicle parts and supplies wholesalers	124	489	15,189,416	17,631,265	34,793,455	556,239
Professional and commercial equipment and supplies wholesalers	102	402	8,254,340	19,373,783	11,136,231	1,211,874
Electrical and electronic goods wholesalers	352	1,558	44,198,773	50,370,521	85,220,159	3,054,131
Machinery, equipment, and supplies wholesalers	350	1,662	34,684,560	42,437,109	60,070,753	5,069,469
Drugs and druggists' sundries wholesalers	87	644	185,453,605	168,007,723	100,791,021	11,508,591
Apparel, piece goods, and notions wholesalers	116	396	6,409,375	10,776,852	10,146,338	1,050,149
Grocery and related product wholesalers	88	370	13,632,554	19,484,269	26,406,344	2,613,474
Chemical and allied products wholesalers	164	850	21,647,426	22,945,371	35,238,462	1,778,367
Petroleum and petroleum products wholesalers	37	315	99,848,218	90,832,644	217,225,137	7,662,412
Other wholesale trade	1,281	5,827	160,367,870	191,712,363	275,752,302	17,974,253
Retail trade	761	2,140	154,601,833	168,419,172	355,354,506	12,798,002
Motor vehicle dealers and parts dealers	42	167	5,440,892	7,082,965	19,489,971	292,116
Electronics and appliance stores	67	188	4,248,483	5,727,485	10,737,748	166,760
Building materials and garden equipment and supplies dealers	26	131	6,104,184	5,992,833	7,984,051	463,550
Food and beverage stores	31	54	3,207,055	3,486,740	10,349,385	369,643
Health and personal care stores	270	351	4,041,062	3,541,779	4,910,180	282,932
Clothing and clothing accessories stores	54	149	6,331,955	6,804,818	12,229,278	1,086,907
General merchandise stores	15	73	66,077,581	63,932,084	104,941,850	2,024,375
Electronic shopping and mail-order houses	45	116	3,317,006	9,255,139	6,610,185	407,382
Other retailers	256	911	55,833,616	62,595,328	178,101,859	7,704,337
Transportation and warehousing	354	1,538	35,941,075	41,289,637	52,214,804	3,857,115
Air transportation	27	117	3,463,381	4,822,168	5,227,961	374,456
Water transportation	54	191	9,274,103	9,088,972	8,077,098	1,674,947
Truck transportation	42	160	2,180,347	2,258,181	4,553,033	90,299
Support activities for transportation	163	662	10,260,138	13,165,851	22,403,502	1,091,540
Other transportation	50	197	8,327,629	9,008,802	7,728,269	457,177
Warehousing and storage	93	212	2,435,478	2,945,663	4,224,941	168,697
Information	964	4,551	233,910,650	229,525,818	109,640,278	9,209,518
Publishing industries	328	1,247	26,907,389	31,522,065	21,324,374	2,629,984
Newspaper, periodical, book and directory publishers	95	732	20,772,126	23,392,407	11,351,532	1,012,087
Software publishers	238	515	6,135,264	8,129,659	9,972,842	1,617,897
Motion picture and sound recording industries	58	857	65,670,735	40,845,652	24,049,511	2,181,487
Broadcasting (except internet)	38	297	14,596,762	17,136,091	7,935,439	-11,771
Internet publishing and broadcasting	25	57	531,865	74,900	192,224	-3,877
Telecommunications	224	1,015	107,306,238	113,934,279	36,892,363	1,340,215
Internet service providers, web search portals, and data processing services	228	498	12,944,459	18,194,596	12,536,881	2,374,835
Other information services	168	579	5,953,201	7,818,235	6,709,485	698,645
Finance, insurance, real estate, and rental and leasing	2,205	9,828	4,473,698,313	5,681,910,503	513,377,523	94,022,146
Finance and insurance	1,288	7,011	4,324,088,468	5,504,038,029	477,314,006	88,555,654
Credit intermediation and related activities	291	1,374	1,017,103,951	1,277,395,676	104,731,256	26,382,544
Depository credit intermediation	39	161	419,524,158	570,946,487	36,097,455	9,982,496
Nondepository credit intermediation	221	964	543,168,194	632,786,136	59,024,705	14,877,291
Activities related to credit intermediation	77	249	54,411,600	73,663,053	9,609,097	1,522,757
Securities, commodity contracts, and other financial investments and related products	706	3,122	2,337,421,249	3,141,809,656	213,746,387	36,880,615

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006

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

Industrial sector and selected industrial subsector of Controlled Foreign Corporation	Number of U.S. corporation returns [1]	Number of foreign corporations	Controlled Foreign Corporations			
			Total assets		Total receipts	Current earnings and profits (less deficit) before income taxes
			Beginning of year	End of year		
(1)	(2)	(3)	(4)	(5)	(6)	
Finance, insurance, real estate, and rental and leasing—continued						
Insurance carriers and related activities	444	1,813	502,027,367	566,329,114	116,866,070	16,306,898
Insurance carriers	182	459	367,216,128	422,188,025	84,770,876	10,018,746
Agencies, brokerages, and other insurance related activities	338	1,354	134,811,239	144,141,089	32,095,194	6,288,152
Funds, trusts, and other financial activities	211	702	467,535,900	518,503,584	41,970,293	8,985,597
Real estate and rental and leasing	1,146	2,817	149,609,845	177,872,474	36,063,517	5,466,492
Rental and leasing services	458	880	88,372,227	106,262,681	20,125,754	2,095,651
Commercial and industrial machinery and equipment rental and leasing	146	455	75,472,604	90,137,215	9,859,494	1,457,609
Other rental and leasing services	316	425	12,899,623	16,125,466	10,266,260	638,042
Other real estate and rental and leasing	726	1,937	61,237,618	71,609,792	15,937,763	3,370,841
Services	5,107	25,039	2,422,617,468	2,796,140,314	822,329,696	130,729,761
Professional, scientific, and technical services	3,376	14,414	329,445,458	392,231,546	325,073,544	30,561,622
Architectural, engineering, and related services	295	874	8,821,250	11,499,437	14,733,593	1,161,898
Computer system design and related services	1,330	4,958	180,106,328	223,114,967	164,586,215	17,633,166
Custom computer programming services	364	679	2,138,759	2,624,916	2,917,243	172,054
Computer systems design services	229	597	26,323,282	54,215,234	15,180,168	2,543,935
Other computer system design and related services	829	3,682	151,644,287	166,274,817	146,488,803	14,917,176
Management, scientific, and technical consulting services	397	1,061	23,691,929	28,357,507	21,385,554	2,518,372
Scientific research and development services	502	877	6,875,720	9,133,214	6,003,767	-93,526
Advertising and related services	234	2,513	43,142,355	38,845,177	45,126,346	2,483,152
Other professional, scientific, and technical services	1,207	4,131	66,807,876	81,281,244	73,238,070	6,858,560
Management of companies and enterprises	1,891	6,413	1,975,970,033	2,257,477,081	400,870,739	93,275,074
Administration and support and waste management and remediation services	602	1,780	37,602,765	47,621,627	43,159,640	3,112,615
Educational services	43	236	3,688,251	6,499,038	2,563,845	206,898
Health care and social assistance	92	298	6,004,179	7,096,125	3,173,595	194,935
Arts, entertainment, and recreation	124	448	6,931,134	9,498,425	4,552,881	82,725
Accommodation and food services	99	682	36,272,867	42,929,134	26,843,858	2,029,986
Other services (except public administration)	194	769	26,702,781	32,787,337	16,091,594	1,265,907
Nature of business not allocable	139	222	492,433	753,954	339,873	-31,398

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Industrial sector and selected industrial subsector of Controlled Foreign Corporation	Controlled Foreign Corporations				
	Income taxes	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		
			Current earnings and profits before income taxes	Income taxes	Current earnings and profits after income taxes
	(7)	(8)	(9)	(10)	(11)
All industries	98,616,121	410,911,841	587,825,240	96,589,279	491,235,961
Raw materials and energy production	21,376,094	42,701,113	68,518,529	21,346,450	47,172,079
Agriculture, forestry, and fishing	123,716	544,643	834,911	118,702	716,209
Mining	20,082,388	36,837,844	60,823,263	20,025,972	40,797,291
Oil and gas extraction	18,533,779	31,225,498	52,517,985	18,483,396	34,034,589
Mining (except oil and gas)	1,131,313	4,013,036	6,052,703	1,127,282	4,925,421
Support activities for mining	417,296	1,599,310	2,252,575	415,294	1,837,280
Utilities	1,169,990	5,318,626	6,860,355	1,201,775	5,658,579
Goods production	25,320,580	117,066,073	164,109,560	25,213,725	138,895,835
Construction	519,728	1,526,516	2,261,412	493,255	1,768,157
Construction of buildings	83,647	234,042	346,108	81,710	264,398
Heavy and civil engineering construction	38,467	115,311	172,285	38,045	134,240
Specialty trade contractors	397,614	1,177,163	1,743,019	373,500	1,369,518
Manufacturing	24,800,852	115,539,557	161,848,148	24,720,470	137,127,678
Food manufacturing	1,904,108	5,032,489	7,824,009	1,864,137	5,959,873
Beverage and tobacco product manufacturing	2,154,666	9,383,538	11,921,038	2,093,959	9,827,080
Beverage manufacturing	1,131,526	6,941,837	8,414,409	1,075,306	7,339,103
Tobacco manufacturing	1,023,139	2,441,701	3,506,629	1,018,653	2,487,976
Textile mills and textile product mills	70,762	120,274	308,789	69,537	239,251
Apparel manufacturing	101,209	631,672	845,275	98,573	746,701
Leather and allied product manufacturing	55,337	165,734	244,889	54,454	190,435
Wood product manufacturing	50,539	87,948	286,243	47,883	238,359
Paper manufacturing	542,403	204,431	2,141,876	584,155	1,557,721
Printing and related support activities	90,023	287,480	546,620	93,850	452,771
Petroleum and coal products manufacturing	1,577,430	5,049,779	6,820,727	1,570,351	5,250,376
Chemical manufacturing	5,255,469	31,085,272	39,172,904	5,048,263	34,124,641
Basic chemical manufacturing	984,849	2,519,212	4,258,128	968,530	3,289,597
Pharmaceutical and medicine manufacturing	2,004,589	21,778,657	24,444,935	1,892,051	22,552,884
Soap, cleaning compound, and toilet preparation manufacturing	832,437	1,951,206	2,907,781	807,994	2,099,787
Other chemical manufacturing	1,433,594	4,836,197	7,562,061	1,379,688	6,182,373
Plastics and rubber products manufacturing	616,377	1,728,707	3,086,792	574,238	2,512,553
Plastics products manufacturing	372,393	986,898	1,889,974	332,677	1,557,297
Rubber products manufacturing	243,983	741,808	1,196,817	241,561	955,256
Nonmetallic mineral product manufacturing	862,084	2,898,209	4,138,570	854,326	3,284,244
Primary metal manufacturing	985,153	3,741,972	5,138,894	982,006	4,156,888
Fabricated metal product manufacturing	921,109	2,431,644	4,110,799	894,493	3,216,306
Machinery manufacturing	1,265,239	3,121,561	5,780,184	1,241,198	4,538,985
Computer and electronic product manufacturing	2,313,612	21,454,271	26,043,852	2,211,639	23,832,213
Communications equipment manufacturing	468,590	2,981,520	4,168,390	444,643	3,723,746
Semiconductor and other electronic component manufacturing	1,202,502	10,239,543	12,413,801	1,180,702	11,233,098
Other computer and electronic manufacturing	642,520	8,233,208	9,461,662	586,294	8,875,368
Electric equipment, appliance, and component manufacturing	926,650	4,553,145	6,694,748	1,051,290	5,643,457
Transportation equipment manufacturing	2,174,822	4,881,156	13,535,940	2,480,563	11,055,377
Motor vehicle, vehicle body and trailer, and vehicle parts manufacturing	1,750,873	3,929,326	11,975,264	2,059,927	9,915,337
Other transportation equipment manufacturing	423,950	951,830	1,560,676	420,636	1,140,040
Furniture and related product manufacturing	32,687	104,271	236,714	32,925	203,789
Miscellaneous manufacturing	2,901,175	18,576,005	22,969,286	2,872,628	20,096,658
Medical and equipment supplies manufacturing	837,402	5,909,687	7,172,539	826,607	6,345,932
Other miscellaneous manufacturing	2,063,773	12,666,318	15,796,748	2,046,022	13,750,726

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Industrial sector and selected industrial subsector of Controlled Foreign Corporation	Controlled Foreign Corporations				
	Income taxes	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		
			Current earnings and profits before income taxes	Income taxes	Current earnings and profits after income taxes
	(7)	(8)	(9)	(10)	(11)
Distribution and transportation of goods	14,266,863	54,867,210	76,923,844	13,927,759	62,996,084
Wholesale and retail trade	13,583,472	51,693,486	72,416,741	13,252,631	59,164,110
Wholesale trade	10,142,478	42,336,479	57,572,437	9,847,442	47,724,995
Motor vehicle and motor vehicle parts and supplies wholesalers	450,101	106,138	1,164,273	329,117	835,156
Professional and commercial equipment and supplies wholesalers	212,612	999,262	1,298,519	211,351	1,087,168
Electrical and electronic goods wholesalers	818,148	2,235,983	3,809,757	813,124	2,996,633
Machinery, equipment, and supplies wholesalers	691,711	4,377,757	5,382,393	675,009	4,707,385
Drugs and druggists' sundries wholesalers	1,583,851	9,924,740	11,940,100	1,571,285	10,368,815
Apparel, piece goods, and notions wholesalers	289,917	760,232	1,146,830	235,627	911,203
Grocery and related product wholesalers	245,884	2,367,590	2,763,872	243,386	2,520,485
Chemical and allied products wholesalers	404,142	1,374,225	1,931,921	393,573	1,538,349
Petroleum and petroleum products wholesalers	1,345,059	6,317,352	7,972,015	1,328,259	6,643,756
Other wholesale trade	4,101,053	13,873,200	20,162,758	4,046,711	16,116,047
Retail trade	3,440,995	9,357,007	14,844,303	3,405,189	11,439,114
Motor vehicle dealers and parts dealers	67,018	225,098	407,218	64,205	343,012
Electronics and appliance stores	86,315	80,445	219,135	84,042	135,092
Building materials and garden equipment and supplies dealers	200,095	263,455	475,042	198,195	276,847
Food and beverage stores	111,771	257,872	378,711	111,232	267,480
Health and personal care stores	92,755	190,176	353,289	92,569	260,720
Clothing and clothing accessories stores	124,482	962,426	1,222,232	135,525	1,086,707
General merchandise stores	1,021,294	1,003,081	3,102,341	1,014,137	2,088,204
Electronic shopping and mail-order houses	125,248	282,134	498,957	122,459	376,498
Other retailers	1,612,017	6,092,320	8,187,378	1,582,823	6,604,555
Transportation and warehousing	683,391	3,173,725	4,507,103	675,128	3,831,975
Air transportation	78,144	296,311	392,538	77,449	315,089
Water transportation	99,980	1,574,968	1,739,888	98,049	1,641,839
Truck transportation	60,918	29,381	211,464	57,664	153,800
Support activities for transportation	276,593	814,947	1,357,491	275,581	1,081,910
Other transportation	120,465	336,711	556,592	119,750	436,842
Warehousing and storage	47,290	121,407	249,130	46,635	202,495
Information	2,424,566	6,784,952	16,854,464	2,369,998	14,484,466
Publishing industries	715,813	1,914,171	3,207,301	692,803	2,514,498
Newspaper, periodical, book and directory publishers	388,859	623,228	1,378,339	366,012	1,012,328
Software publishers	326,954	1,290,943	1,828,962	326,791	1,502,171
Motion picture and sound recording industries	621,290	1,560,197	2,768,096	625,465	2,142,631
Broadcasting (except internet)	140,816	-152,586	1,080,296	135,548	944,748
Internet publishing and broadcasting	6,483	-10,360	15,423	6,348	9,074
Telecommunications	471,290	868,925	6,016,447	441,199	5,575,248
Internet service providers, web search portals, and data processing services	278,952	2,095,882	2,837,644	278,322	2,559,322
Other information services	189,922	508,723	929,257	190,312	738,945
Finance, insurance, real estate, and rental and leasing	15,998,194	78,023,952	107,432,127	15,544,141	91,887,985
Finance and insurance	14,862,345	73,693,309	100,816,713	14,455,380	86,361,333
Credit intermediation and related activities	3,860,639	22,521,905	28,441,955	3,685,349	24,756,606
Depository credit intermediation	1,577,332	8,405,164	10,231,809	1,558,890	8,672,919
Nondepository credit intermediation	2,041,458	12,835,833	16,323,746	1,885,203	14,438,543
Activities related to credit intermediation	241,849	1,280,908	1,886,399	241,255	1,645,144
Securities, commodity contracts, and other financial investments and related products	6,959,038	29,921,577	40,306,350	6,873,483	33,432,867

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Industrial sector and selected industrial subsector of Controlled Foreign Corporation	Controlled Foreign Corporations				
	Income taxes	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		
			Current earnings and profits before income taxes	Income taxes	Current earnings and profits after income taxes
	(7)	(8)	(9)	(10)	(11)
Finance, insurance, real estate, and rental and leasing—continued					
Insurance carriers and related activities	3,299,374	13,007,525	19,333,834	3,189,567	16,144,266
Insurance carriers	2,095,170	7,923,576	12,101,184	2,014,815	10,086,369
Agencies, brokerages, and other insurance related activities	1,204,204	5,083,948	7,232,650	1,174,753	6,057,897
Funds, trusts, and other financial activities	743,295	8,242,302	12,734,575	706,981	12,027,593
Real estate and rental and leasing	1,135,849	4,330,643	6,615,414	1,088,761	5,526,653
Rental and leasing services	357,318	1,738,333	2,666,896	344,427	2,322,468
Commercial and industrial machinery and equipment rental and leasing	252,367	1,205,242	1,795,772	246,762	1,549,010
Other rental and leasing services	104,951	533,092	871,123	97,666	773,458
Other real estate and rental and leasing	778,531	2,592,310	3,948,518	744,334	3,204,184
Services	19,222,247	111,507,514	153,940,881	18,180,508	135,760,374
Professional, scientific, and technical services	6,762,832	23,798,790	38,183,528	6,616,297	31,567,232
Architectural, engineering, and related services	189,364	972,534	1,565,728	182,464	1,383,264
Computer system design and related services	4,040,420	13,592,746	21,421,668	3,971,441	17,450,226
Custom computer programming services	42,804	129,250	348,524	44,956	303,568
Computer systems design services	290,367	2,253,569	3,010,318	285,313	2,725,006
Other computer system design and related services	3,707,249	11,209,927	18,062,825	3,641,172	14,421,653
Management, scientific, and technical consulting services	484,776	2,033,596	2,965,312	469,410	2,495,902
Scientific research and development services	80,012	-173,537	632,441	70,528	561,913
Advertising and related services	541,882	1,941,270	3,287,832	535,841	2,751,991
Other professional, scientific, and technical services	1,426,379	5,432,181	8,310,546	1,386,611	6,923,935
Management of companies and enterprises	10,871,410	82,403,664	107,079,747	10,050,088	97,029,659
Administration and support and waste management and remediation services	669,355	2,443,260	3,616,538	634,772	2,981,766
Educational services	43,831	163,067	297,069	37,428	259,642
Health care and social assistance	54,826	140,109	420,126	57,025	363,101
Arts, entertainment, and recreation	84,093	-1,368	438,018	82,743	355,274
Accommodation and food services	442,858	1,587,128	2,329,816	424,110	1,905,706
Other services (except public administration)	293,042	972,864	1,576,039	278,045	1,297,994
Nature of business not allocable	7,575	-38,974	45,835	6,697	39,137

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Industrial sector and selected industrial subsector of Controlled Foreign Corporation	Controlled Foreign Corporations				
	Distributions out of earnings and profits			Dividends paid to controlling U.S. corporation	Total Subpart F income
	Total	Not previously taxed earnings and profits	Previously taxed earnings and profits		
(12)	(13)	(14)	(15)	(16)	
All industries	188,640,507	124,452,014	64,188,494	61,555,842	60,027,807
Raw materials and energy production	22,670,384	19,236,497	3,433,887	11,513,555	1,372,255
Agriculture, forestry, and fishing	161,274	118,469	* 42,804	84,648	39,621
Mining	19,456,514	16,722,828	2,733,686	11,306,291	1,019,722
Oil and gas extraction	16,101,355	13,876,439	2,224,916	9,763,495	843,131
Mining (except oil and gas)	2,545,781	2,475,738	* 70,043	* 1,296,805	74,442
Support activities for mining	809,379	370,651	438,728	245,991	102,148
Utilities	3,052,596	2,395,200	657,397	122,617	312,913
Goods production	51,327,637	39,815,456	11,512,181	16,648,381	9,621,299
Construction	863,213	801,982	61,230	66,050	165,570
Construction of buildings	* 44,926	* 44,926	0	* 14,507	* 10,431
Heavy and civil engineering construction	* 39,186	* 36,656	* 2,530	* 2,919	10,223
Specialty trade contractors	779,100	720,400	58,700	48,624	144,916
Manufacturing	50,464,424	39,013,474	11,450,950	16,582,331	9,455,729
Food manufacturing	4,029,288	3,554,653	474,635	2,087,614	1,030,321
Beverage and tobacco product manufacturing	5,069,516	2,955,652	2,113,864	943,616	682,721
Beverage manufacturing	2,256,382	2,157,930	98,452	930,525	133,182
Tobacco manufacturing	2,813,134	797,722	2,015,411	* 13,091	549,540
Textile mills and textile product mills	25,893	18,635	* 7,259	* 5,636	* 11,110
Apparel manufacturing	125,882	105,348	20,534	* 44,653	75,347
Leather and allied product manufacturing	* 37,801	* 24,336	* 13,465	* 12,302	* 12,048
Wood product manufacturing	239,128	* 229,172	* 9,956	* 125,437	* 6,463
Paper manufacturing	610,478	527,072	83,406	183,981	117,868
Printing and related support activities	203,706	156,380	* 47,326	* 74,583	35,497
Petroleum and coal products manufacturing	2,768,794	1,684,757	1,084,038	147,386	267,280
Chemical manufacturing	11,002,354	8,199,428	2,802,927	3,886,823	1,701,272
Basic chemical manufacturing	1,517,372	1,466,446	50,926	712,013	241,218
Pharmaceutical and medicine manufacturing	5,371,244	3,478,043	1,893,201	1,348,595	956,369
Soap, cleaning compound, and toilet preparation manufacturing	1,466,030	1,111,345	354,685	817,553	94,462
Other chemical manufacturing	2,647,708	2,143,594	504,115	1,008,661	409,223
Plastics and rubber products manufacturing	1,193,728	1,066,640	127,088	566,570	125,677
Plastics products manufacturing	671,842	552,903	118,939	307,113	26,955
Rubber products manufacturing	521,886	513,738	* 8,149	259,456	98,722
Nonmetallic mineral product manufacturing	1,010,197	929,469	80,728	350,394	37,891
Primary metal manufacturing	1,364,227	998,464	365,763	37,119	417,492
Fabricated metal product manufacturing	973,882	809,753	164,129	375,897	225,598
Machinery manufacturing	1,289,321	1,113,800	175,520	473,831	282,382
Computer and electronic product manufacturing	6,326,041	4,716,203	1,609,838	1,799,746	1,828,535
Communications equipment manufacturing	551,677	428,852	122,825	201,784	385,966
Semiconductor and other electronic component manufacturing	2,450,765	1,663,184	787,581	1,507,485	837,173
Other computer and electronic manufacturing	3,323,598	2,624,167	699,432	90,477	605,396
Electric equipment, appliance, and component manufacturing	1,252,220	831,606	420,614	374,504	570,031
Transportation equipment manufacturing	5,894,546	4,903,787	990,759	1,778,214	487,791
Motor vehicle, vehicle body and trailer, and vehicle parts manufacturing	5,655,837	4,678,751	977,086	1,629,594	437,954
Other transportation equipment manufacturing	238,709	225,036	13,673	148,620	49,837
Furniture and related product manufacturing	127,703	126,835	* 868	* 99,165	* 330
Miscellaneous manufacturing	6,919,720	6,061,484	858,236	3,214,860	1,540,076
Medical and equipment supplies manufacturing	3,618,307	3,249,917	368,391	1,929,779	401,142
Other miscellaneous manufacturing	3,301,413	2,811,567	489,846	1,285,081	1,138,934

Footnotes at end of table.

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Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Industrial sector and selected industrial subsector of Controlled Foreign Corporation	Controlled Foreign Corporations				
	Distributions out of earnings and profits			Dividends paid to controlling U.S. corporation	Total Subpart F income
	Total	Not previously taxed earnings and profits	Previously taxed earnings and profits		
(12)	(13)	(14)	(15)	(16)	
Distribution and transportation of goods	24,506,433	13,407,140	11,099,293	8,101,761	8,629,504
Wholesale and retail trade	22,457,714	12,412,949	10,044,766	7,530,562	8,276,753
Wholesale trade	16,307,214	7,576,010	8,731,203	3,587,781	6,942,701
Motor vehicle and motor vehicle parts and supplies wholesalers	551,010	181,360	369,650	99,414	130,098
Professional and commercial equipment and supplies wholesalers	332,848	214,926	117,922	210,056	150,348
Electrical and electronic goods wholesalers	825,499	531,524	293,975	383,345	329,701
Machinery, equipment, and supplies wholesalers	717,165	612,494	104,670	302,960	490,125
Drugs and druggists' sundries wholesalers	1,651,642	849,431	802,211	364,267	1,139,880
Apparel, piece goods, and notions wholesalers	332,053	263,565	* 68,488	110,100	101,227
Grocery and related product wholesalers	436,014	313,555	* 122,459	194,081	117,986
Chemical and allied products wholesalers	745,492	450,873	294,619	292,102	189,899
Petroleum and petroleum products wholesalers	5,069,923	284,460	4,785,463	142,965	1,789,460
Other wholesale trade	5,645,567	3,873,821	1,771,746	1,488,491	2,503,977
Retail trade	6,150,501	4,836,938	1,313,562	3,942,781	1,334,052
Motor vehicle dealers and parts dealers	126,002	126,002	0	* 4,000	5,969
Electronics and appliance stores	* 783	* 783	* [2]	* 88	818
Building materials and garden equipment and supplies dealers	* 438,236	* 63,040	* 375,196	* 51,200	* 4,765
Food and beverage stores	* 17,050	* 17,021	* 29	* 2,912	* 7,169
Health and personal care stores	* 234,331	* 232,367	* 1,964	* 159,854	* 5,818
Clothing and clothing accessories stores	385,220	* 151,508	* 233,712	* 110,614	241,905
General merchandise stores	* 1,106,925	* 1,062,973	* 43,952	* 474,377	* 33,824
Electronic shopping and mail-order houses	* 120,847	* 98,279	* 22,569	* 96,505	50,368
Other retailers	3,721,105	3,084,966	636,140	3,043,231	983,417
Transportation and warehousing	2,048,719	994,191	1,054,528	571,199	352,751
Air transportation	151,066	144,471	* 6,595	118,814	37,571
Water transportation	827,664	81,034	746,631	* 28,614	168,413
Truck transportation	* 21,060	* 21,060	0	* 13,201	* 12,714
Support activities for transportation	539,624	381,220	158,404	145,618	48,695
Other transportation	440,909	299,847	* 141,062	246,319	74,165
Warehousing and storage	68,396	66,559	* 1,837	18,632	* 11,193
Information	4,496,460	4,006,700	489,761	3,062,461	960,698
Publishing industries	809,892	751,185	58,707	387,110	271,108
Newspaper, periodical, book and directory publishers	434,459	388,836	45,623	232,602	82,210
Software publishers	* 375,434	* 362,350	* 13,084	* 154,508	188,899
Motion picture and sound recording industries	595,801	259,197	336,605	84,566	165,794
Broadcasting (except internet)	86,969	77,488	* 9,481	35,550	44,281
Internet publishing and broadcasting	0	0	0	0	0
Telecommunications	2,583,186	2,503,157	80,029	2,284,450	369,682
Internet service providers, web search portals, and data processing services	262,329	257,835	* 4,493	223,050	92,191
Other information services	158,283	157,838	* 445	47,736	17,642
Finance, insurance, real estate, and rental and leasing	31,936,360	16,614,676	15,321,684	6,099,012	19,868,251
Finance and insurance	30,788,610	15,914,832	14,873,778	5,840,078	18,906,511
Credit intermediation and related activities	6,140,282	4,082,794	2,057,488	2,417,202	1,721,235
Depository credit intermediation	2,632,368	1,626,182	1,006,187	1,131,527	534,229
Nondepository credit intermediation	2,735,726	1,917,709	818,017	1,164,451	866,555
Activities related to credit intermediation	772,188	538,904	233,285	121,225	320,451
Securities, commodity contracts, and other financial investments and related products	11,084,141	6,361,580	4,722,561	1,950,603	7,581,285

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Industrial sector and selected industrial subsector of Controlled Foreign Corporation	Controlled Foreign Corporations				
	Distributions out of earnings and profits			Dividends paid to controlling U.S. corporation	Total Subpart F income
	Total	Not previously taxed earnings and profits	Previously taxed earnings and profits		
(12)	(13)	(14)	(15)	(16)	
Finance, insurance, real estate, and rental and leasing—continued					
Insurance carriers and related activities	4,227,219	2,482,463	1,744,756	1,000,344	3,964,112
Insurance carriers	1,813,675	903,896	909,780	418,882	2,968,625
Agencies, brokerages, and other insurance related activities	2,413,544	1,578,568	834,976	581,462	995,487
Funds, trusts, and other financial activities	9,336,968	2,987,994	6,348,974	471,928	5,639,879
Real estate and rental and leasing	1,147,750	699,844	447,905	258,934	961,740
Rental and leasing services	314,928	266,879	48,049	34,811	118,627
Commercial and industrial machinery and equipment rental and leasing	248,081	230,650	17,431	34,049	72,842
Other rental and leasing services	* 66,847	* 36,229	* 30,618	* 762	* 45,785
Other real estate and rental and leasing	832,822	432,965	399,857	224,123	843,113
Services	53,687,478	31,355,831	22,331,648	16,119,829	19,575,698
Professional, scientific, and technical services	6,710,285	4,602,111	2,108,175	2,340,132	3,854,100
Architectural, engineering, and related services	470,128	402,395	67,733	93,863	99,215
Computer system design and related services	1,456,259	1,117,214	339,045	536,452	1,456,524
Custom computer programming services	* 12,312	* 12,216	* 97	* 5,821	36,434
Computer systems design services	196,227	71,062	* 125,164	* 26,986	179,833
Other computer system design and related services	1,247,720	1,033,936	213,784	503,645	1,240,257
Management, scientific, and technical consulting services	419,283	370,530	48,753	71,521	577,895
Scientific research and development services	80,850	74,595	* 6,254	* 64,787	55,178
Advertising and related services	2,415,455	1,577,362	838,093	922,363	338,956
Other professional, scientific, and technical services	1,868,311	1,060,015	808,296	651,146	1,326,331
Management of companies and enterprises	44,667,092	24,551,961	20,115,131	12,915,220	14,985,778
Administration and support and waste management and remediation services	611,619	568,914	42,705	98,556	266,321
Educational services	21,723	21,723	0	* 11,091	7,563
Health care and social assistance	205,205	205,195	* 10	* 36,882	* 9,572
Arts, entertainment, and recreation	140,443	140,408	* 35	64,545	26,772
Accommodation and food services	704,964	677,568	* 27,396	369,347	214,257
Other services (except public administration)	626,147	587,951	38,195	284,058	211,336
Nature of business not allocable	* 15,754	* 15,714	* 41	* 10,842	* 101

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Industrial sector and selected industrial subsector of Controlled Foreign Corporation	Controlled Foreign Corporations						
	Receipts by foreign corporations from:						
	All sources	All related parties, total	U.S. corporation filing return	Domestic corporations controlled by U.S. corporation filing return	Any foreign corporations controlled by U.S. corporation filing return	All other related parties	Unrelated parties
	(17)	(18)	(19)	(20)	(21)	(22)	(23)
All industries	4,819,870,637	1,326,943,908	227,694,388	269,152,485	829,974,925	122,110	3,535,062,255
Raw materials and energy production	231,754,208	68,074,118	7,377,272	29,167,106	31,529,662	* 78	163,803,585
Agriculture, forestry, and fishing	8,373,384	3,515,961	210,665	459,218	2,846,000	* 78	4,861,513
Mining	182,128,952	59,238,530	7,157,343	25,620,882	26,460,305	0	122,957,367
Oil and gas extraction	153,987,654	53,838,276	6,319,898	23,313,402	24,204,975	0	100,183,287
Mining (except oil and gas)	17,334,703	3,964,651	* 718,913	1,795,897	1,449,841	0	13,370,371
Support activities for mining	10,806,596	1,435,603	* 118,531	511,583	805,489	0	9,403,709
Utilities	41,251,872	5,319,627	9,265	3,087,006	2,223,357	0	35,984,705
Goods production	1,878,079,547	691,114,849	149,945,039	119,217,429	421,853,792	98,590	1,211,413,197
Construction	22,435,556	2,069,902	54,776	601,575	1,413,551	0	20,390,276
Construction of buildings	4,009,452	68,060	* 1,005	* 2,293	64,762	0	3,941,818
Heavy and civil engineering construction	1,666,502	172,104	* 2,020	20,850	149,234	0	1,495,507
Specialty trade contractors	16,759,602	1,829,739	51,751	578,432	1,199,555	0	14,952,951
Manufacturing	1,855,643,991	689,044,947	149,890,263	118,615,853	420,440,241	98,590	1,191,022,921
Food manufacturing	112,029,756	21,952,520	1,549,723	2,343,327	18,024,797	* 34,673	90,608,313
Beverage and tobacco product manufacturing	104,271,874	33,976,976	405,682	1,873,597	31,697,697	0	71,585,428
Beverage manufacturing	58,121,258	12,550,822	362,557	1,795,428	10,392,836	0	46,857,434
Tobacco manufacturing	46,150,616	21,426,154	* 43,124	78,169	21,304,861	0	24,727,994
Textile mills and textile product mills	4,833,864	968,637	190,621	111,948	666,068	0	3,900,444
Apparel manufacturing	10,253,847	4,748,922	729,259	2,562,576	1,457,088	0	5,531,408
Leather and allied product manufacturing	2,722,952	816,878	219,524	* 164,934	432,420	0	1,907,461
Wood product manufacturing	5,453,328	1,224,871	461,961	198,773	564,138	0	4,271,244
Paper manufacturing	32,820,748	7,646,573	1,848,325	1,645,373	4,152,875	0	25,197,340
Printing and related support activities	6,588,841	867,797	124,147	73,012	670,639	0	5,757,023
Petroleum and coal products manufacturing	147,509,774	56,975,683	6,044,710	16,095,916	34,835,057	0	90,535,298
Chemical manufacturing	272,017,619	95,490,855	11,779,284	17,657,644	66,053,765	* 161	178,643,939
Basic chemical manufacturing	42,281,121	8,490,295	2,045,529	899,532	5,545,128	* 106	33,877,901
Pharmaceutical and medicine manufacturing	114,296,840	59,600,253	7,467,230	13,500,737	38,632,232	* 54	56,198,373
Soap, cleaning compound, and toilet preparation manufacturing	25,043,745	4,959,546	300,666	301,453	4,357,426	0	20,486,542
Other chemical manufacturing	90,395,913	22,440,760	1,965,859	2,955,923	17,518,979	0	68,081,123
Plastics and rubber products manufacturing	45,135,859	14,780,202	2,699,199	895,955	11,185,048	0	30,399,109
Plastics products manufacturing	26,772,266	8,584,570	1,581,395	808,353	6,194,822	0	18,203,110
Rubber products manufacturing	18,363,593	6,195,632	1,117,804	87,602	4,990,226	0	12,195,999
Nonmetallic mineral product manufacturing	24,284,882	4,801,217	766,960	620,966	3,413,282	* 9	19,497,463
Primary metal manufacturing	37,333,046	9,635,761	327,215	3,602,998	5,653,265	* 52,282	27,700,745
Fabricated metal product manufacturing	48,213,279	9,681,469	1,281,832	2,078,256	6,321,268	* 113	38,619,992
Machinery manufacturing	72,067,981	20,769,294	5,099,726	2,730,393	12,937,895	* 1,280	51,435,543
Computer and electronic product manufacturing	281,975,119	94,002,620	37,162,293	11,213,120	45,624,266	* 2,941	188,718,040
Communications equipment manufacturing	61,322,150	31,357,167	12,685,589	1,692,644	16,978,933	0	30,128,042
Semiconductor and other electronic component manufacturing	102,541,455	29,539,847	15,102,973	5,590,671	8,843,261	* 2,941	73,208,257
Other computer and electronic manufacturing	118,111,514	33,105,606	9,373,730	3,929,805	19,802,071	0	85,381,741
Electric equipment, appliance, and component manufacturing	79,844,740	29,204,647	5,037,638	9,826,652	14,334,518	* 5,839	50,864,975
Transportation equipment manufacturing	393,960,912	177,136,498	56,987,806	30,109,498	90,039,194	0	217,447,307
Motor vehicle, vehicle body and trailer, and vehicle parts manufacturing	375,747,279	172,052,076	55,748,351	28,026,757	88,276,969	0	204,303,939
Other transportation equipment manufacturing	18,213,633	5,084,422	1,239,455	2,082,742	1,762,225	0	13,143,369
Furniture and related product manufacturing	4,148,460	874,069	209,506	260,515	404,048	0	3,292,311
Miscellaneous manufacturing	170,177,110	103,489,457	16,964,853	14,550,400	71,972,913	* 1,291	85,109,537
Medical and equipment supplies manufacturing	42,480,774	21,349,867	2,362,916	5,357,245	13,629,706	0	21,296,417
Other miscellaneous manufacturing	127,696,336	82,139,590	14,601,937	9,193,155	58,343,207	* 1,291	63,813,120

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Industrial sector and selected industrial subsector of Controlled Foreign Corporation	Controlled Foreign Corporations						
	Receipts by foreign corporations from:						
	All sources	All related parties, total	U.S. corporation filing return	Domestic corporations controlled by U.S. corporation filing return	Any foreign corporations controlled by U.S. corporation filing return	All other related parties	Unrelated parties
	(17)	(18)	(19)	(20)	(21)	(22)	(23)
Distribution and transportation of goods	1,264,349,512	215,673,793	30,198,959	54,137,673	131,336,615	* 546	1,050,643,661
Wholesale and retail trade	1,212,134,708	199,724,707	28,940,296	48,509,204	122,274,661	* 546	1,014,142,363
Wholesale trade	856,780,202	153,840,658	27,032,329	26,964,961	99,842,840	* 528	704,427,955
Motor vehicle and motor vehicle parts and supplies wholesalers	34,793,455	3,070,748	1,100,487	102,303	1,867,958	0	31,726,945
Professional and commercial equipment and supplies wholesalers	11,136,231	3,436,462	1,696,196	108,573	1,631,693	0	7,834,418
Electrical and electronic goods wholesalers	85,220,159	15,058,857	3,749,000	1,076,902	10,232,955	0	70,225,177
Machinery, equipment, and supplies wholesalers	60,070,753	9,076,693	2,443,887	923,689	5,709,118	0	51,108,879
Drugs and druggists' sundries wholesalers	100,791,021	22,602,331	4,213,840	1,626,613	16,761,878	0	78,759,061
Apparel, piece goods, and notions wholesalers	10,146,338	1,888,935	101,915	253,741	1,533,279	0	8,262,367
Grocery and related product wholesalers	26,406,344	4,648,566	159,358	1,311,268	3,177,940	0	21,758,932
Chemical and allied products wholesalers	35,238,462	6,615,268	1,603,534	456,182	4,555,553	0	28,787,642
Petroleum and petroleum products wholesalers	217,225,137	22,437,449	4,165,648	10,819,094	7,452,707	0	194,793,007
Other wholesale trade	275,752,302	65,005,349	7,798,466	10,286,595	46,919,760	* 528	211,171,524
Retail trade	355,354,506	45,884,048	1,907,967	21,544,243	22,431,821	* 18	309,714,409
Motor vehicle dealers and parts dealers	19,489,971	5,249,537	* 336,208	* 2,577,168	2,336,161	0	14,270,362
Electronics and appliance stores	10,737,748	799,106	610,171	* 5,455	183,479	0	9,940,145
Building materials and garden equipment and supplies dealers	7,984,051	761,483	* 17,795	* 3,232	740,456	0	7,226,957
Food and beverage stores	10,349,385	97,151	* 40,611	* 11,390	* 45,150	0	10,252,235
Health and personal care stores	4,910,180	257,932	49,755	* 15,646	192,530	0	4,685,861
Clothing and clothing accessories stores	12,229,278	1,503,116	95,202	* 666,020	741,894	0	10,783,116
General merchandise stores	104,941,850	929,425	* 1,163	* 6,663	921,582	* 18	104,032,203
Electronic shopping and mail-order houses	6,610,185	666,150	* 20,391	176,810	468,949	0	5,952,151
Other retailers	178,101,859	35,620,149	736,670	18,081,859	16,801,620	0	142,571,378
Transportation and warehousing	52,214,804	15,949,086	1,258,663	5,628,469	9,061,954	0	36,501,297
Air transportation	5,227,961	1,690,171	* 4,449	219,524	1,466,198	0	3,537,790
Water transportation	8,077,098	3,035,191	50,139	1,797,542	1,187,511	0	5,042,543
Truck transportation	4,553,033	532,544	* 15,502	128,560	388,482	0	4,025,280
Support activities for transportation	22,403,502	8,176,524	1,135,085	2,337,902	4,703,537	0	14,238,336
Other transportation	7,728,269	934,017	* 1,318	858,911	73,788	0	6,794,787
Warehousing and storage	4,224,941	1,580,638	52,170	286,031	1,242,436	0	2,862,562
Information	109,640,278	11,336,935	1,675,211	1,914,419	7,747,090	* 215	98,515,584
Publishing industries	21,324,374	1,926,054	589,469	452,844	883,740	0	19,427,953
Newspaper, periodical, book and directory publishers	11,351,532	678,384	51,572	207,485	419,327	0	10,698,152
Software publishers	9,972,842	1,247,670	537,897	245,359	464,413	0	8,729,802
Motion picture and sound recording industries	24,049,511	2,214,233	* 582	698,983	1,514,668	0	21,849,024
Broadcasting (except internet)	7,935,439	828,380	18,150	57,740	752,490	0	7,113,613
Internet publishing and broadcasting	192,224	49,958	* 8,810	* 38,243	* 2,905	0	142,271
Telecommunications	36,892,363	4,426,665	509,606	298,234	3,618,610	* 215	32,606,590
Internet service providers, web search portals, and data processing services	12,536,881	1,086,064	251,943	168,230	665,891	0	11,469,617
Other information services	6,709,485	805,582	296,650	200,145	308,787	0	5,906,516
Finance, insurance, real estate, and rental and leasing	513,377,523	120,020,680	7,000,216	38,449,004	74,560,983	* 10,478	397,289,720
Finance and insurance	477,314,006	116,547,892	6,937,158	37,983,300	71,616,956	* 10,478	364,528,634
Credit intermediation and related activities	104,731,256	19,111,935	332,937	4,499,832	14,279,166	0	86,841,209
Depository credit intermediation	36,097,455	5,855,700	* 639	2,866,245	2,988,816	0	30,275,332
Nondepository credit intermediation	59,024,705	11,054,115	247,347	1,186,458	9,620,310	0	49,155,378
Activities related to credit intermediation	9,609,097	2,202,119	84,951	447,129	1,670,040	0	7,410,500
Securities, commodity contracts, and other financial investments and related products	213,746,387	73,975,123	6,266,697	27,310,013	40,391,136	* 7,276	141,241,225

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Industrial sector and selected industrial subsector of Controlled Foreign Corporation	Controlled Foreign Corporations						
	Receipts by foreign corporations from:						
	All sources	All related parties, total	U.S. corporation filing return	Domestic corporations controlled by U.S. corporation filing return	Any foreign corporations controlled by U.S. corporation filing return	All other related parties	Unrelated parties
	(17)	(18)	(19)	(20)	(21)	(22)	(23)
Finance, insurance, real estate, and rental and leasing—continued							
Insurance carriers and related activities	116,866,070	5,319,389	193,737	1,882,927	3,242,725	0	112,144,213
Insurance carriers	84,770,876	1,870,730	50,105	709,839	1,110,785	0	82,973,732
Agencies, brokerages, and other insurance related activities	32,095,194	3,448,659	143,632	1,173,088	2,131,939	0	29,170,481
Funds, trusts, and other financial activities	41,970,293	18,141,445	143,786	4,290,528	13,703,929	* 3,202	24,301,987
Real estate and rental and leasing	36,063,517	3,472,789	63,058	465,704	2,944,027	0	32,761,087
Rental and leasing services	20,125,754	1,261,837	9,623	88,122	1,164,093	0	18,974,345
Commercial and industrial machinery and equipment rental and leasing	9,859,494	943,703	6,341	56,139	881,222	0	8,919,859
Other rental and leasing services	10,266,260	318,135	* 3,282	* 31,983	282,871	0	10,054,487
Other real estate and rental and leasing	15,937,763	2,210,951	53,436	377,582	1,779,934	0	13,786,741
Services	822,329,696	220,668,411	31,480,363	26,247,410	162,928,435	* 12,203	613,110,612
Professional, scientific, and technical services	325,073,544	82,090,698	21,529,518	13,285,311	47,263,861	* 12,008	244,777,670
Architectural, engineering, and related services	14,733,593	1,844,285	294,087	246,500	1,303,692	* 6	12,938,877
Computer system design and related services	164,586,215	43,460,812	13,908,278	7,535,287	22,017,247	0	121,858,164
Custom computer programming services	2,917,243	1,092,109	615,933	267,667	208,509	0	1,860,257
Computer systems design services	15,180,168	4,104,253	766,854	775,388	2,562,011	0	11,100,268
services	146,488,803	38,264,450	12,525,491	6,492,232	19,246,727	0	108,897,639
Management, scientific, and technical consulting services	21,385,554	8,512,898	766,419	589,501	7,156,979	0	13,034,597
Scientific research and development services	6,003,767	3,084,385	1,190,267	936,699	957,418	0	2,982,612
Advertising and related services	45,126,346	6,390,269	307,861	446,142	5,636,266	0	39,010,632
Other professional, scientific, and technical services	73,238,070	18,798,049	5,062,606	3,531,182	10,192,259	* 12,002	54,952,788
Management of companies and enterprises	400,870,739	124,221,934	8,313,690	10,569,829	105,338,220	* 195	285,743,800
Administration and support and waste management and remediation services	43,159,640	9,852,746	1,154,936	1,271,731	7,426,080	0	33,782,028
Educational services	2,563,845	104,658	* 5,689	11,198	87,771	0	2,462,064
Health care and social assistance	3,173,595	316,188	42,375	9,698	264,116	0	2,860,983
Arts, entertainment, and recreation	4,552,881	702,406	62,007	433,320	207,079	0	3,871,410
Accommodation and food services	26,843,858	1,111,746	121,246	270,523	719,977	0	25,757,332
Other services (except public administration)	16,091,594	2,268,034	250,903	395,801	1,621,331	0	13,855,325
Nature of business not allocable	339,873	55,122	17,328	* 19,445	18,349	0	285,897

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Industrial sector and selected industrial subsector of Controlled Foreign Corporation	Controlled Foreign Corporations						
	Payments by foreign corporations to:						
	All recipients	All related parties, total	U.S. corporation filing return	Domestic corporations controlled by U.S. corporation filing return	Any foreign corporations controlled by U.S. corporation filing return	All other related parties	Unrelated parties
	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All industries	4,496,115,251	1,283,591,906	231,165,265	316,154,978	736,024,626	247,038	3,228,510,720
Raw materials and energy production	182,028,038	45,265,839	6,169,416	12,280,253	26,791,914	* 24,255	136,946,099
Agriculture, forestry, and fishing	8,012,068	2,006,829	128,143	451,546	1,402,964	* 24,176	6,008,481
Mining	135,396,792	39,534,479	5,988,084	11,352,142	22,194,175	* 79	96,029,259
Oil and gas extraction	111,565,586	33,183,785	5,196,044	8,676,986	19,310,676	* 79	78,515,668
Mining (except oil and gas)	14,375,325	3,792,426	631,412	1,049,580	2,111,434	0	10,597,366
Support activities for mining	9,455,881	2,558,269	160,627	1,625,576	772,066	0	6,916,226
Utilities	38,619,178	3,724,531	53,190	476,566	3,194,775	0	34,908,359
Goods production	1,784,277,300	534,079,642	102,266,106	122,950,912	308,667,420	195,204	1,252,488,706
Construction	21,374,670	3,070,705	208,628	723,453	2,138,624	0	18,335,160
Construction of buildings	3,730,223	92,773	* 22,242	* 22,208	48,322	0	3,646,498
Heavy and civil engineering construction	1,568,253	183,680	5,171	18,435	160,074	0	1,393,385
Specialty trade contractors	16,076,194	2,794,253	181,215	682,810	1,930,228	0	13,295,276
Manufacturing	1,762,902,630	531,008,937	102,057,478	122,227,459	306,528,796	195,204	1,234,153,546
Food manufacturing	110,807,614	19,457,310	3,135,242	2,806,115	13,351,304	* 164,649	91,418,111
Beverage and tobacco product manufacturing	96,157,963	17,907,952	1,792,759	4,451,738	11,663,456	0	78,643,963
Beverage manufacturing	50,973,670	11,774,623	1,783,439	2,839,595	7,151,588	0	39,557,346
Tobacco manufacturing	45,184,293	6,133,329	* 9,319	1,612,142	4,511,868	0	39,086,616
Textile mills and textile product mills	4,649,094	747,183	247,147	95,673	404,363	0	3,904,597
Apparel manufacturing	9,716,926	2,216,883	475,850	692,280	1,035,335	* 13,418	7,600,321
Leather and allied product manufacturing	2,550,118	500,088	127,742	* 34,417	337,929	0	2,052,162
Wood product manufacturing	5,534,584	833,615	169,675	197,233	466,707	0	4,700,980
Paper manufacturing	31,624,721	6,454,114	1,387,352	1,545,860	3,520,901	0	25,191,627
Printing and related support activities	6,420,736	1,122,646	266,721	269,012	586,913	0	5,327,476
Petroleum and coal products manufacturing	141,318,421	67,781,335	1,503,518	32,224,378	34,053,196	* 243	73,547,123
Chemical manufacturing	243,195,875	82,290,744	19,438,997	18,346,413	44,504,007	* 1,327	161,337,948
Basic chemical manufacturing	40,459,395	8,858,623	2,371,231	2,591,912	3,894,445	* 1,035	31,726,056
Pharmaceutical and medicine manufacturing	96,281,841	42,146,326	10,499,880	7,313,960	24,332,194	* 292	54,214,136
Soap, cleaning compound, and toilet preparation manufacturing	23,752,233	8,415,672	1,143,303	2,756,402	4,515,967	0	15,467,910
Other chemical manufacturing	82,702,406	22,870,123	5,424,582	5,684,140	11,761,401	* [2]	59,929,847
Plastics and rubber products manufacturing	44,026,249	8,692,850	2,895,722	955,212	4,841,916	0	35,377,471
Plastics products manufacturing	26,126,565	3,888,746	1,156,882	644,111	2,087,754	0	22,274,291
Rubber products manufacturing	17,899,685	4,804,103	1,738,840	311,101	2,754,163	0	13,103,180
Nonmetallic mineral product manufacturing	21,516,189	5,563,687	2,061,325	1,163,303	2,335,884	* 3,175	15,959,161
Primary metal manufacturing	33,870,466	8,101,917	380,678	2,317,370	5,403,788	* 81	25,818,325
Fabricated metal product manufacturing	45,229,142	8,398,684	1,868,453	1,697,630	4,832,226	* 375	36,916,954
Machinery manufacturing	69,224,146	15,315,796	4,521,525	2,510,913	8,277,359	* 5,999	54,051,036
Computer and electronic product manufacturing	265,128,486	96,770,283	27,003,870	18,345,549	51,415,939	* 4,925	168,640,963
Communications equipment manufacturing	58,673,074	22,819,060	6,037,804	1,137,988	15,643,268	0	35,897,786
Semiconductor and other electronic component manufacturing	93,872,069	33,338,834	15,869,452	8,539,199	8,925,258	* 4,925	60,588,418
Other computer and electronic manufacturing	112,583,342	40,612,389	5,096,614	8,668,361	26,847,414	0	72,154,760
Electric equipment, appliance, and component manufacturing	75,101,658	17,498,671	4,388,948	3,798,891	9,310,078	* 755	57,750,371
Transportation equipment manufacturing	391,995,379	100,818,602	19,907,591	21,643,241	59,267,771	0	291,388,221
Motor vehicle, vehicle body and trailer, and vehicle parts manufacturing	374,907,425	96,690,980	19,008,187	20,438,358	57,244,435	0	278,418,990
Other transportation equipment manufacturing	17,087,954	4,127,622	899,404	1,204,883	2,023,336	0	12,969,232
Furniture and related product manufacturing	4,112,681	718,660	117,073	174,003	427,585	0	3,399,430
Miscellaneous manufacturing	160,722,182	69,817,919	10,367,292	8,958,231	50,492,138	* 258	91,127,308
Medical and equipment supplies manufacturing	39,553,986	17,506,915	3,750,121	4,324,806	9,431,989	0	22,084,129
Other miscellaneous manufacturing	121,168,197	52,311,003	6,617,171	4,633,425	41,060,149	* 258	69,043,179

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Industrial sector and selected industrial subsector of Controlled Foreign Corporation	Controlled Foreign Corporations						
	Payments by foreign corporations to:						
	All recipients	All related parties, total	U.S. corporation filing return	Domestic corporations controlled by U.S. corporation filing return	Any foreign corporations controlled by U.S. corporation filing return	All other related parties	Unrelated parties
	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Distribution and transportation of goods	1,214,566,615	341,376,042	71,555,709	74,637,195	195,169,410	13,729	879,375,347
Wholesale and retail trade	1,164,072,019	321,154,538	68,459,388	67,864,005	184,817,417	13,729	847,187,374
Wholesale trade	815,420,342	266,192,082	60,915,465	57,657,523	147,609,318	* 9,775	553,247,339
Motor vehicle and motor vehicle parts and supplies wholesalers	34,095,156	8,380,475	1,578,365	2,790,294	4,011,816	0	25,719,177
Professional and commercial equipment and supplies wholesalers	10,246,797	5,345,262	2,035,586	1,405,599	1,904,077	0	4,958,056
Electrical and electronic goods wholesalers	82,836,389	31,491,007	15,529,355	4,267,681	11,693,971	0	51,614,538
Machinery, equipment, and supplies wholesalers	55,978,988	27,300,633	11,620,560	2,193,227	13,486,845	0	31,210,790
Drugs and druggists' sundries wholesalers	90,736,123	30,490,326	6,768,466	3,423,761	20,298,098	0	60,640,886
Apparel, piece goods, and notions wholesalers	9,126,498	2,651,158	601,521	283,031	1,761,388	* 5,218	6,495,755
Grocery and related product wholesalers	25,376,323	6,759,471	611,924	543,451	5,601,135	* 2,961	18,619,090
Chemical and allied products wholesalers	34,590,325	13,019,116	3,494,590	2,113,078	7,411,449	0	21,656,807
Petroleum and petroleum products wholesalers	208,310,018	39,719,432	1,289,292	24,822,807	13,607,333	0	168,680,470
Other wholesale trade	264,123,725	101,035,202	17,385,805	15,814,595	67,833,206	* 1,596	163,651,770
Retail trade	348,651,677	54,962,456	7,543,922	10,206,481	37,208,099	* 3,953	293,940,035
Motor vehicle dealers and parts dealers	19,327,493	3,580,870	47,966	37,406	3,493,516	* 1,983	15,751,519
Electronics and appliance stores	10,573,259	2,564,276	570,481	109,447	1,884,348	0	8,025,468
Building materials and garden equipment and supplies dealers	7,923,665	1,805,362	141,944	290,856	1,372,562	0	6,144,273
Food and beverage stores	10,022,407	903,211	512,712	80,303	310,196	0	9,119,196
Health and personal care stores	4,907,497	879,970	* 258,098	87,389	534,483	0	4,027,905
Clothing and clothing accessories stores	11,787,227	1,997,790	204,923	573,162	1,219,705	0	9,813,977
General merchandise stores	107,261,136	5,699,691	1,146,651	* 1,110,506	3,440,564	* 1,971	101,561,445
Electronic shopping and mail-order houses	6,277,608	909,570	* 140,645	269,404	499,521	0	5,368,040
Other retailers	170,571,384	36,621,716	4,520,502	7,648,010	24,453,205	0	134,128,211
Transportation and warehousing	50,494,596	20,221,504	3,096,322	6,773,190	10,351,992	0	32,187,973
Air transportation	5,069,039	1,974,372	* 20,513	345,154	1,608,705	0	3,095,056
Water transportation	7,282,919	1,459,555	252,735	23,298	1,183,523	0	5,824,055
Truck transportation	4,461,509	396,328	56,599	133,221	206,509	0	4,065,206
Support activities for transportation	21,949,520	11,503,512	2,438,787	3,184,367	5,880,358	0	12,205,822
Other transportation	7,607,784	3,169,532	144,210	2,878,197	147,126	0	4,438,866
Warehousing and storage	4,123,826	1,718,205	183,478	208,954	1,325,773	0	2,558,969
Information	104,966,237	23,048,446	2,100,995	12,310,966	8,630,748	* 5,737	82,469,017
Publishing industries	18,388,762	4,923,101	1,183,770	2,271,633	1,466,643	* 1,055	13,486,960
Newspaper, periodical, book and directory publishers	9,530,553	1,803,228	338,215	661,633	802,325	* 1,055	7,744,254
Software publishers	8,858,209	3,119,873	845,555	1,610,001	664,318	0	5,742,706
Motion picture and sound recording industries	22,175,823	8,239,520	* 46,133	6,248,415	1,941,202	* 3,769	14,434,754
Broadcasting (except internet)	7,607,290	742,838	56,710	79,736	606,391	0	6,868,505
Internet publishing and broadcasting	194,738	12,297	3,717	* 1,401	7,178	0	182,449
Telecommunications	40,240,209	6,347,724	445,224	2,518,990	3,382,598	* 913	33,913,240
Internet service providers, web search portals, and data processing services	10,209,281	977,115	151,301	267,417	558,396	0	9,235,753
Other information services	6,150,133	1,805,853	214,139	923,373	668,340	0	4,347,354
Finance, insurance, real estate, and rental and leasing	457,631,603	126,179,921	9,047,119	37,445,908	79,682,490	4,404	334,572,841
Finance and insurance	425,140,617	121,076,046	8,519,108	36,433,835	76,119,658	3,445	306,794,704
Credit intermediation and related activities	90,237,139	24,745,470	2,075,097	7,439,260	15,230,795	* 317	66,241,297
Depository credit intermediation	30,772,612	8,199,966	203,799	3,435,259	4,560,908	0	22,575,071
Nondepository credit intermediation	50,475,532	14,307,667	1,762,764	3,711,958	8,832,627	* 317	36,891,829
Activities related to credit intermediation	8,988,995	2,237,837	108,533	292,044	1,837,260	0	6,774,396
Securities, commodity contracts, and other financial investments and related products	190,784,829	70,360,255	5,558,511	23,824,356	40,974,779	* 2,609	121,905,976

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 1. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Industrial Sector and Selected Industrial Subsector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Industrial sector and selected industrial subsector of Controlled Foreign Corporation	Controlled Foreign Corporations						
	Payments by foreign corporations to:						
	All recipients	All related parties, total	U.S. corporation filing return	Domestic corporations controlled by U.S. corporation filing return	Any foreign corporations controlled by U.S. corporation filing return	All other related parties	Unrelated parties
(24)	(25)	(26)	(27)	(28)	(29)	(30)	
Finance, insurance, real estate, and rental and leasing—continued							
Insurance carriers and related activities	104,634,209	6,595,916	217,102	2,209,826	4,168,911	* 76	98,447,591
Insurance carriers	75,516,204	2,749,654	51,917	987,762	1,709,975	0	72,785,461
Agencies, brokerages, and other insurance related activities	29,118,005	3,846,261	165,186	1,222,064	2,458,936	* 76	25,662,130
Funds, trusts, and other financial activities	39,484,440	19,374,406	668,398	2,960,393	15,745,172	* 443	20,199,841
Real estate and rental and leasing	32,490,985	5,103,875	528,010	1,012,073	3,562,833	* 959	27,778,136
Rental and leasing services	18,926,803	2,451,470	209,809	429,617	1,811,100	* 944	16,759,073
Commercial and industrial machinery and equipment rental and leasing	9,022,756	1,898,468	118,508	250,523	1,529,357	* 80	7,402,612
Other rental and leasing services	9,904,047	553,002	91,302	179,094	281,743	* 864	9,356,460
Other real estate and rental and leasing	13,564,182	2,652,405	318,201	582,456	1,751,733	* 15	11,019,064
Services	752,258,302	213,602,562	40,010,897	56,526,648	117,061,308	* 3,709	542,308,582
Professional, scientific, and technical services	302,612,380	93,186,984	20,961,955	24,218,459	48,004,781	* 1,789	210,201,013
Architectural, engineering, and related services	13,951,528	1,984,792	759,502	265,809	958,967	* 514	11,980,780
Computer system design and related services	149,371,981	51,766,126	14,078,541	17,001,898	20,685,688	0	98,121,155
Custom computer programming services	2,755,557	441,647	190,492	88,384	162,772	0	2,316,621
Computer systems design services	12,834,753	3,949,734	949,244	1,336,300	1,664,190	0	8,900,196
services	133,781,671	47,374,745	12,938,805	15,577,214	18,858,726	0	86,904,338
Management, scientific, and technical consulting services	19,082,149	4,483,602	690,890	245,162	3,547,551	0	14,629,293
Scientific research and development services	6,186,250	1,056,760	428,476	190,111	438,172	0	5,141,386
Advertising and related services	45,341,587	19,532,495	205,745	3,243,603	16,083,135	* 12	25,871,994
Other professional, scientific, and technical services	68,678,885	14,363,209	4,798,802	3,271,876	6,291,269	* 1,263	54,456,405
Management of companies and enterprises	357,325,156	106,262,300	15,009,877	28,938,915	62,311,842	* 1,666	253,339,311
Administration and support and waste management and remediation services	41,128,344	4,795,541	768,815	737,480	3,288,993	* 254	36,622,173
Educational services	2,280,961	218,318	51,185	74,795	92,338	0	2,063,507
Health care and social assistance	3,183,690	550,363	107,019	76,132	367,212	0	2,636,147
Arts, entertainment, and recreation	4,493,659	778,497	132,571	336,868	309,058	0	3,733,620
Accommodation and food services	25,862,960	2,729,968	1,071,755	613,897	1,044,316	0	23,135,804
Other services (except public administration)	15,371,153	5,080,590	1,907,720	1,530,101	1,642,769	0	10,577,007
Nature of business not allocable	387,157	39,453	15,023	* 3,095	21,335	0	350,130

* Data should be used with caution because of the small number of returns on which they are based.

[1] Number of returns is not additive because some U.S. corporations had Controlled Foreign Corporations in more than one industrial sector. The industrial activity of the parent corporation filing the return often differs from that of the Controlled Foreign Corporations.

[2] Value is less than \$500.

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

Controlled Foreign Corporations, 2006

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Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006

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

Selected country of incorporation of Controlled Foreign Corporation	Number of U.S. corporation returns [1]	Controlled Foreign Corporations				
		Number of foreign corporations	Total assets		Total receipts	Current earnings and profits (less deficit) before income taxes
			Beginning of year	End of year		
(1)	(2)	(3)	(4)	(5)	(6)	
All geographic regions						
Latin America, total	11,873	78,249	9,809,404,944	11,666,004,281	4,819,870,637	509,527,961
Mexico	3,154	10,885	481,406,085	548,309,807	388,789,560	43,579,426
Central America and Caribbean countries, total	2,253	4,701	257,929,524	289,934,644	203,604,893	19,072,528
Costa Rica	507	1,334	26,410,721	28,305,320	23,135,829	2,918,448
Dominican Republic	275	375	4,043,574	5,049,709	5,214,938	514,402
El Salvador	77	100	2,034,300	2,842,808	1,691,160	412,878
Guatemala	85	126	2,692,347	2,761,045	3,012,990	172,530
Honduras	125	217	3,581,758	3,963,097	4,308,221	355,209
Panama (including Canal Zone)	80	147	1,612,984	1,759,806	2,229,911	103,967
Other Central American and Caribbean countries	165	274	11,499,994	10,744,720	6,003,866	1,304,859
South America, total	70	95	945,763	1,184,135	674,744	54,603
Argentina	1,465	4,850	197,065,840	230,069,843	162,048,838	21,588,449
Bolivia	589	912	20,142,340	22,162,906	23,946,244	2,223,248
Brazil	42	58	921,768	958,236	592,233	105,107
Chile	964	1,692	108,824,260	130,631,204	85,296,215	10,777,914
Colombia	398	684	33,817,510	35,605,584	16,325,176	3,396,013
Ecuador	264	391	7,273,131	9,525,789	10,100,052	907,451
Peru	94	161	1,613,101	2,031,988	2,748,663	209,351
Uruguay	196	245	6,454,049	7,700,888	4,022,598	937,026
Venezuela	144	201	1,957,105	2,184,225	2,139,681	116,524
Other South American countries	301	462	15,537,182	18,441,422	15,679,177	2,832,042
Other Western Hemisphere, total	37	45	525,394	827,601	1,198,798	83,772
Bahamas	4,626	10,876	2,172,527,654	2,544,979,208	1,019,494,063	134,595,165
Barbados	94	385	64,823,713	85,501,925	26,664,397	8,700,182
Bermuda	150	194	10,290,125	11,513,230	4,453,877	1,027,583
British Virgin Islands	428	978	600,562,946	729,332,704	230,203,753	48,924,357
Canada	254	424	60,972,023	45,401,183	27,095,416	6,693,973
Cayman Islands	3,776	6,935	828,387,526	948,892,794	580,652,462	42,246,980
Jamaica	652	1,580	561,940,926	646,609,465	145,127,344	25,807,629
Netherlands Antilles	42	54	1,850,290	2,363,705	1,392,373	150,211
Trinidad and Tobago	92	130	41,021,703	71,774,754	2,558,990	767,521
Other Western Hemisphere countries	64	77	1,217,587	1,324,969	530,117	79,894
Europe, total	65	118	1,460,814	2,264,480	815,334	196,835
European Union, total	5,922	34,158	5,754,586,651	6,957,738,461	2,447,582,661	238,413,571
Austria	5,769	31,306	5,342,396,764	6,502,796,706	2,156,381,207	196,063,572
Belgium	373	541	21,997,195	25,466,744	22,746,988	2,876,760
Bulgaria	664	1,189	71,164,699	76,790,311	53,946,960	2,721,469
Cyprus	72	97	400,605	511,158	701,503	51,709
Czech Republic	68	88	2,254,381	3,807,464	1,779,738	49,359
Denmark	339	511	16,244,810	21,257,208	12,733,432	833,717
Estonia	410	675	27,368,353	34,207,215	18,176,843	1,330,041
Finland	52	64	241,335	318,850	462,882	25,733
France (including Corsica, Guadeloupe, Martinique, and Reunion)	241	355	9,992,659	10,424,026	7,736,838	407,091
Germany	1,463	3,381	231,408,189	263,801,593	140,197,949	10,307,697
Greece	1,888	4,160	311,444,317	371,973,326	225,492,273	14,041,700
Hungary	179	246	5,446,004	6,546,475	7,345,769	466,743
Ireland	308	437	16,942,871	23,508,144	12,464,526	1,083,197
Italy	642	1,140	346,978,415	513,394,734	168,565,706	33,556,071
Latvia	909	1,699	82,200,140	93,511,546	73,985,525	6,534,605
Lithuania	40	70	275,227	774,430	587,527	12,716
Luxembourg	30	33	366,339	550,882	739,317	57,533
Malta	294	515	530,915,954	551,577,959	212,365,063	17,031,369
Netherlands	18	23	1,203,808	2,786,226	593,144	47,980
	1,365	3,123	698,260,287	756,366,608	305,677,784	36,778,601

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation of Controlled Foreign Corporation	Number of U.S. corporation returns [1]	Controlled Foreign Corporations			
		Number of foreign corporations	Total assets		Current earnings and profits (less deficit) before income taxes
			Beginning of year	End of year	
(1)	(2)	(3)	(4)	(5)	(6)
Europe, total—continued					
Poland	456	742	31,992,017	40,552,563	25,370,692
Portugal (including Azores)	244	406	21,417,409	26,213,294	15,072,920
Romania	149	218	3,723,976	4,870,540	4,117,303
Slovakia	133	187	3,125,511	4,375,561	2,980,161
Slovenia	50	57	729,475	842,614	1,175,832
Spain (including Canary Isles)	842	1,599	125,593,457	159,226,761	147,329,312
Sweden	588	1,061	70,956,850	88,946,389	49,553,736
United Kingdom and Northern Ireland (including Gibraltar)	3,929	8,688	2,709,752,480	3,420,194,083	644,481,488
Other European countries, total	1,090	2,852	412,189,887	454,941,755	291,201,453
Croatia	49	68	168,310	3,266,356	434,733
Guernsey	40	67	20,015,748	23,446,223	782,058
Jersey	49	97	42,457,209	43,477,664	4,073,416
Norway	259	417	24,087,419	27,235,279	16,693,323
Russia	281	506	7,530,413	9,771,847	14,970,113
Switzerland	770	1,410	312,118,290	336,084,352	247,790,701
Ukraine	71	105	1,476,105	2,173,446	3,593,532
Other European countries	121	182	4,336,392	9,486,590	2,863,577
Africa, total	685	1,602	43,613,748	55,052,222	40,522,758
North Africa, total	133	247	5,094,448	5,915,620	4,452,263
Egypt	76	119	3,636,415	4,105,570	2,633,117
Morocco	53	60	1,060,330	1,179,921	1,162,001
Other North African countries	43	67	397,703	630,128	657,145
East Africa, total	264	378	12,676,787	18,919,344	4,578,539
Mauritius	227	286	11,524,881	17,715,305	3,168,592
Other East African countries	53	92	1,151,906	1,204,039	1,409,947
West and Central Africa, total	104	248	12,100,602	14,797,819	8,940,188
Liberia	18	59	5,796,356	6,616,291	2,176,432
Nigeria	54	80	5,258,490	6,967,593	4,769,924
Other West and Central African countries	54	109	1,045,756	1,213,935	1,993,832
Southern Africa, total	384	730	13,741,910	15,419,439	22,551,769
South Africa	376	643	12,974,807	14,241,443	21,145,251
Other Southern African countries	37	87	767,103	1,177,996	1,406,518
Asia, total	4,595	16,762	994,173,894	1,155,025,100	759,034,695
Central, Northern, and Southwestern Asia, total	268	406	11,578,285	18,072,692	24,070,125
Turkey	221	317	9,513,596	15,622,095	22,366,774
Other Central, Northern, and Southwestern Asian countries	60	89	2,064,689	2,450,597	1,703,351
Middle East, total	699	1,067	25,555,734	32,757,612	19,206,879
Israel	564	803	22,227,968	29,063,753	14,590,869
United Arab Emirates	114	133	1,003,210	1,383,594	2,236,985
Other Middle East countries	83	131	2,324,556	2,310,266	2,379,024
Southern and Southeastern Asia, total	2,123	5,919	227,473,125	234,948,186	236,979,781
India	1,158	1,634	19,508,680	27,471,452	26,889,445
Indonesia	216	338	12,368,126	14,533,675	14,690,082
Malaysia	497	829	26,613,422	28,062,580	24,238,850
Pakistan	47	54	685,060	643,219	841,374
Philippines	283	512	15,287,201	16,472,137	13,970,420
Singapore	1,068	1,681	131,723,635	122,562,803	122,636,010
Thailand	427	710	20,544,544	24,236,140	32,292,708
Vietnam	75	86	491,190	587,807	646,735
Other Southern and Southeastern Asian countries	56	75	251,267	378,373	774,158

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation of Controlled Foreign Corporation	Number of U.S. corporation returns [1]	Controlled Foreign Corporations				
		Number of foreign corporations	Total assets		Total receipts	Current earnings and profits (less deficit) before income taxes
			Beginning of year	End of year		
	(1)	(2)	(3)	(4)	(5)	(6)
Asia, total—continued						
Eastern Asia, total	3,206	9,370	729,566,750	869,246,610	478,777,911	42,617,351
China	1,739	3,426	48,821,791	65,480,943	82,098,329	6,093,070
Hong Kong	1,190	1,978	102,736,702	119,123,338	66,151,498	9,856,015
Japan (including Okinawa and Ryukyu Islands)	1,379	2,554	389,503,893	473,249,351	211,533,432	15,745,699
South Korea	579	814	123,047,880	133,887,527	79,929,828	8,016,576
Taiwan	406	564	64,278,381	76,829,374	37,246,615	2,825,450
Other Eastern Asian countries	31	33	1,178,102	676,076	1,818,209	80,542
Oceania, total	1,408	3,423	332,046,177	372,069,714	135,424,439	15,814,134
Australia	1,289	2,651	318,623,254	358,270,203	124,535,785	14,528,446
New Zealand	428	639	11,235,077	11,511,779	10,067,473	788,298
Other countries of Oceania	51	133	2,187,847	2,287,732	821,181	497,391
Puerto Rico and U.S. Possessions, total	359	542	31,050,735	32,829,769	29,022,461	2,557,637
Puerto Rico	301	401	23,807,087	26,731,941	26,729,345	2,148,215
U.S. Possessions, total	83	141	7,243,648	6,097,828	2,293,116	409,422
Virgin Islands, U.S.	53	80	6,781,941	5,656,167	1,342,697	398,558
Other U.S. Possessions	37	61	461,706	441,660	950,418	10,863
OPEC countries, total (countries included above)	513	1,100	35,212,680	42,603,875	39,184,444	9,544,563

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Controlled Foreign Corporations, 2006

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Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation of Controlled Foreign Corporation	Controlled Foreign Corporations				
	Income taxes	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		
			Current earnings and profits before income taxes	Income taxes	Current earnings and profits after income taxes
	(7)	(8)	(9)	(10)	(11)
All geographic regions	98,616,121	410,911,841	587,825,240	96,589,279	491,235,961
Latin America, total	9,489,317	34,090,109	47,943,329	9,282,154	38,661,175
Mexico	4,129,658	14,942,871	20,876,637	4,047,120	16,829,517
Central America and Caribbean countries, total	499,034	2,419,415	3,157,073	491,439	2,665,634
Costa Rica	84,068	430,334	574,827	82,799	492,028
Dominican Republic	108,420	304,458	424,009	107,973	316,036
El Salvador	30,368	142,162	193,094	30,713	162,380
Guatemala	109,788	245,421	387,139	107,729	279,410
Honduras	19,867	84,100	126,337	18,659	107,678
Panama (including Canal Zone)	127,022	1,177,837	1,380,909	125,072	1,255,837
Other Central American and Caribbean countries	19,501	35,102	70,759	18,493	52,266
South America, total	4,860,625	16,727,824	23,909,619	4,743,595	19,166,024
Argentina	607,794	1,615,454	2,463,632	585,134	1,878,498
Bolivia	18,139	86,968	108,057	18,139	89,918
Brazil	2,210,859	8,567,055	12,350,824	2,142,259	10,208,565
Chile	530,481	2,865,533	3,629,752	527,047	3,102,705
Colombia	310,649	596,802	979,704	303,179	676,525
Ecuador	43,418	165,933	218,363	48,475	169,889
Peru	201,295	735,732	967,224	187,586	779,638
Uruguay	20,789	95,735	139,524	20,386	119,138
Venezuela	896,019	1,936,023	2,958,459	890,272	2,068,187
Other South American countries	21,182	62,590	94,081	21,119	72,962
Other Western Hemisphere, total	25,703,732	108,891,433	149,309,962	25,551,085	123,758,876
Bahamas	2,246,231	6,453,951	9,543,271	2,235,140	7,308,131
Barbados	67,578	960,005	1,115,498	66,176	1,049,321
Bermuda	6,181,646	42,742,711	51,162,753	5,975,999	45,186,754
British Virgin Islands	1,179,058	5,514,914	6,914,892	1,177,044	5,737,848
Canada	11,097,554	31,149,426	51,159,373	11,239,260	39,920,113
Cayman Islands	4,859,278	20,948,351	28,081,689	4,790,190	23,291,499
Jamaica	16,872	133,339	162,378	16,880	145,498
Netherlands Antilles	17,906	749,615	814,172	17,651	796,521
Trinidad and Tobago	17,272	62,622	102,809	17,171	85,638
Other Western Hemisphere countries	20,335	176,500	253,126	15,573	237,553
Europe, total	43,464,536	194,949,035	284,271,809	41,952,088	242,319,721
European Union, total	36,765,137	159,298,435	239,703,520	35,306,914	204,396,606
Austria	534,937	2,341,823	3,045,236	529,180	2,516,056
Belgium	831,836	1,889,633	3,676,806	698,361	2,978,445
Bulgaria	8,010	43,699	61,293	7,857	53,436
Cyprus	25,471	23,888	199,850	19,410	180,439
Czech Republic	239,138	594,579	1,205,300	233,319	971,981
Denmark	262,018	1,068,023	1,848,564	254,789	1,593,775
Estonia	2,169	23,564	29,531	* 1,988	27,543
Finland	103,403	303,688	567,676	102,384	465,291
France (including Corsica, Guadeloupe, Martinique, and Reunion)	2,682,312	7,625,385	13,770,124	2,622,813	11,147,312
Germany	3,524,132	10,517,569	17,766,711	3,284,382	14,482,329
Greece	184,934	281,809	553,983	174,307	379,676
Hungary	125,593	957,603	1,243,463	110,267	1,133,196
Ireland	1,863,666	31,692,405	37,551,579	1,803,293	35,748,286
Italy	2,094,535	4,440,070	7,677,287	2,005,529	5,671,758
Latvia	4,351	8,364	25,108	4,127	20,981
Lithuania	13,214	44,320	59,303	12,139	47,164
Luxembourg	2,225,896	14,805,473	17,818,751	2,201,999	15,616,752
Malta	2,237	45,743	49,620	2,229	47,391
Netherlands	6,362,476	30,416,124	41,989,586	6,181,833	35,807,753

Footnotes at end of table.

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Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation of Controlled Foreign Corporation	Controlled Foreign Corporations				
	Income taxes	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		
			Current earnings and profits before income taxes	Income taxes	Current earnings and profits after income taxes
	(7)	(8)	(9)	(10)	(11)
Europe, total—continued					
Poland	456,758	1,646,490	2,354,257	450,743	1,903,514
Portugal (including Azores)	399,881	1,594,362	2,217,826	392,554	1,825,273
Romania	65,140	238,619	395,333	66,594	328,739
Slovakia	34,870	142,467	228,591	34,207	194,384
Slovenia	19,790	56,822	85,052	19,418	65,635
Spain (including Canary Isles)	2,482,571	8,395,103	12,267,631	2,432,325	9,835,305
Sweden	558,087	4,011,747	5,517,235	521,789	4,995,446
United Kingdom and Northern Ireland (including Gibraltar)	11,657,709	36,089,062	67,497,821	11,139,075	56,358,747
Other European countries, total	6,699,399	35,650,600	44,568,289	6,645,174	37,923,115
Croatia	6,848	15,253	45,931	6,837	39,094
Guernsey	13,717	11,062	151,943	13,036	138,907
Jersey	56,356	1,302,867	1,465,941	52,703	1,413,238
Norway	3,513,510	1,710,345	5,371,165	3,508,989	1,862,177
Russia	512,279	982,849	1,871,142	499,781	1,371,360
Switzerland	2,278,570	30,314,121	33,978,467	2,247,321	31,731,146
Ukraine	113,299	292,841	421,142	112,981	308,161
Other European countries	204,820	1,021,263	1,262,558	203,526	1,059,033
Africa, total	1,341,405	4,256,034	7,373,014	1,319,138	6,053,877
North Africa, total	65,164	241,183	431,919	61,267	370,652
Egypt	29,162	176,410	255,978	26,679	229,299
Morocco	24,682	17,330	90,164	22,906	67,258
Other North African countries	11,321	47,444	85,777	11,682	74,095
East Africa, total	175,402	-108,243	1,242,478	173,652	1,068,826
Mauritius	155,015	-125,541	1,178,039	154,556	1,023,482
Other East African countries	20,387	17,298	64,439	19,096	45,344
West and Central Africa, total	515,257	2,649,809	3,416,527	508,310	2,908,217
Liberia	151,889	641,410	903,242	* 151,812	751,430
Nigeria	339,145	2,017,502	2,431,233	336,567	2,094,667
Other West and Central African countries	24,223	-9,103	82,052	19,932	62,120
Southern Africa, total	585,582	1,473,284	2,282,090	575,909	1,706,181
South Africa	533,215	1,497,597	2,173,993	534,204	1,639,788
Other Southern African countries	52,368	-24,313	108,097	41,705	66,393
Asia, total	15,029,470	53,941,119	77,164,421	14,962,900	62,201,521
Central, Northern, and Southwestern Asia, total	553,403	1,466,084	2,213,235	541,237	1,671,998
Turkey	334,357	1,052,183	1,571,250	320,685	1,250,565
Other Central, Northern, and Southwestern Asian countries	219,046	413,901	641,985	220,552	421,433
Middle East, total	278,983	1,629,987	2,663,136	266,622	2,396,514
Israel	239,763	1,050,891	1,992,782	228,695	1,764,087
United Arab Emirates	4,790	254,427	281,262	4,654	276,609
Other Middle East countries	34,430	324,669	389,092	33,273	355,819
Southern and Southeastern Asia, total	4,583,945	17,840,837	24,579,521	4,532,476	20,047,045
India	738,078	2,201,830	3,335,314	729,413	2,605,901
Indonesia	2,069,040	1,739,395	3,920,456	2,061,664	1,858,792
Malaysia	266,214	1,811,207	2,497,061	263,113	2,233,948
Pakistan	27,899	92,458	125,050	27,486	97,565
Philippines	296,775	1,392,004	1,844,842	297,709	1,547,133
Singapore	705,707	8,816,649	10,338,399	678,858	9,659,541
Thailand	456,251	1,705,600	2,372,653	451,221	1,921,432
Vietnam	8,895	860	43,501	8,702	34,799
Other Southern and Southeastern Asian countries	15,086	80,834	102,245	14,312	87,934

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation of Controlled Foreign Corporation	Controlled Foreign Corporations				
	Income taxes	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		
			Current earnings and profits before income taxes	Income taxes	Current earnings and profits after income taxes
	(7)	(8)	(9)	(10)	(11)
Asia, total—continued					
Eastern Asia, total	9,613,139	33,004,212	47,708,529	9,622,565	38,085,964
China	760,268	5,332,802	7,629,118	743,442	6,885,676
Hong Kong	1,155,210	8,700,804	10,354,815	1,146,019	9,208,796
Japan (including Okinawa and Ryukyu Islands)	5,483,472	10,262,226	17,898,078	5,547,251	12,350,826
South Korea	1,625,952	6,390,624	8,470,298	1,617,035	6,853,262
Taiwan	586,851	2,238,599	3,217,556	567,442	2,650,114
Other Eastern Asian countries	1,386	79,156	138,665	* 1,375	137,289
Oceania, total	3,228,086	12,586,048	18,444,062	3,171,976	15,272,086
Australia	2,975,906	11,552,539	16,984,045	2,920,761	14,063,284
New Zealand	212,109	576,189	937,213	212,617	724,595
Other countries of Oceania	40,071	457,320	522,804	38,598	484,206
Puerto Rico and U.S. Possessions, total	359,575	2,198,062	3,318,643	349,938	2,968,706
Puerto Rico	278,746	1,869,469	2,756,495	275,136	2,481,358
U.S. Possessions, total	80,829	328,593	562,148	74,801	487,347
Virgin Islands, U.S.	58,983	339,575	474,813	59,609	415,204
Other U.S. Possessions	21,846	-10,982	87,336	15,192	72,143
OPEC countries, total (countries included above)	3,349,888	6,194,675	9,909,395	3,333,194	6,576,201

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation of Controlled Foreign Corporation	Controlled Foreign Corporations				
	Distributions out of earnings and profits			Dividends paid to controlling U.S. corporation	Total Subpart F income
	Total	Not previously taxed earnings and profits	Previously taxed earnings and profits		
	(12)	(13)	(14)	(15)	(16)
All geographic regions	188,640,507	124,452,014	64,188,494	61,555,842	60,027,807
Latin America, total	17,510,083	15,272,061	2,238,022	7,709,905	1,840,557
Mexico	5,457,542	4,901,587	555,954	2,009,679	491,153
Central America and Caribbean countries, total	3,467,349	2,858,736	608,613	2,431,619	364,492
Costa Rica	108,860	105,578	* 3,282	33,591	48,886
Dominican Republic	2,186,154	2,182,849	* 3,305	* 2,166,112	7,534
El Salvador	116,814	107,959	* 8,855	39,818	17,917
Guatemala	59,463	56,644	* 2,819	19,381	15,174
Honduras	30,406	30,103	* 304	* 24,914	* 19,443
Panama (including Canal Zone)	900,075	310,026	590,049	83,768	255,058
Other Central American and Caribbean countries	* 65,577	* 65,577	0	* 64,035	* 480
South America, total	8,585,192	7,511,738	1,073,454	3,268,608	984,912
Argentina	637,803	533,909	103,894	131,234	99,322
Bolivia	30,021	18,634	* 11,388	* 8,338	* 2,328
Brazil	4,375,340	3,724,040	651,300	1,599,919	450,908
Chile	1,946,962	1,818,627	128,335	1,124,879	201,017
Colombia	158,774	139,615	* 19,159	86,913	22,222
Ecuador	61,791	59,723	* 2,068	30,641	* 3,613
Peru	118,862	65,961	* 52,901	47,511	69,484
Uruguay	51,588	39,573	* 12,016	5,574	35,906
Venezuela	1,188,468	1,107,368	81,100	233,301	67,585
Other South American countries	* 15,582	* 4,288	* 11,294	* 298	* 32,527
Other Western Hemisphere, total	49,841,558	32,685,475	17,156,082	18,867,493	18,137,992
Bahamas	5,712,604	2,840,804	2,871,800	1,667,676	1,846,022
Barbados	475,929	409,653	66,276	* 374,804	131,568
Bermuda	11,129,171	4,900,301	6,228,869	1,683,634	9,490,958
British Virgin Islands	911,259	392,800	518,459	83,872	255,042
Canada	21,057,219	17,069,974	3,987,245	11,404,255	2,284,098
Cayman Islands	10,297,776	6,898,983	3,398,793	3,547,555	3,645,881
Jamaica	* 33,322	* 10,478	* 22,844	* 10,396	* 3,726
Netherlands Antilles	81,181	69,403	* 11,778	* 23,584	446,373
Trinidad and Tobago	* 51,232	* 51,232	0	* 39,984	* 2,170
Other Western Hemisphere countries	91,866	41,847	* 50,019	* 31,733	32,154
Europe, total	88,281,715	51,254,722	37,026,993	23,497,316	32,344,576
European Union, total	76,903,675	46,213,479	30,690,195	20,881,914	27,668,974
Austria	1,197,012	504,332	692,680	131,946	753,302
Belgium	1,249,706	1,010,694	239,012	507,523	354,935
Bulgaria	* 22,490	* 22,490	0	* 22,226	* 1,293
Cyprus	49,002	* 12,058	* 36,944	* 7,745	36,916
Czech Republic	471,985	385,648	86,337	223,334	126,650
Denmark	733,016	258,492	474,524	105,409	209,601
Estonia	* 6,981	* 6,981	0	* 212	* 1,404
Finland	388,975	104,904	284,071	16,257	32,006
France (including Corsica, Guadeloupe, Martinique, and Reunion)	5,365,108	3,978,465	1,386,643	949,605	1,168,151
Germany	5,834,040	4,659,289	1,174,750	1,607,722	1,571,630
Greece	220,705	171,790	* 48,916	92,065	* 8,928
Hungary	445,102	162,631	282,471	88,619	305,212
Ireland	7,729,109	2,832,688	4,896,421	1,486,584	5,090,290
Italy	2,174,589	1,860,467	314,123	569,297	342,161
Latvia	* 4,112	* 1,901	* 2,211	* 923	* 2,576
Lithuania	* 774	* 774	0	0	* 2,391
Luxembourg	9,769,148	2,606,972	7,162,175	1,854,603	3,833,812
Malta	* 12,067	* 11,858	* 209	0	* 192
Netherlands	13,787,867	10,055,264	3,732,603	5,901,488	4,303,990

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation of Controlled Foreign Corporation	Controlled Foreign Corporations				
	Distributions out of earnings and profits			Dividends paid to controlling U.S. corporation	Total Subpart F income
	Total	Not previously taxed earnings and profits	Previously taxed earnings and profits		
	(12)	(13)	(14)	(15)	(16)
Europe, total—continued					
Poland	798,512	738,585	59,927	288,718	72,257
Portugal (including Azores)	1,297,216	369,940	927,277	58,575	495,546
Romania	154,228	150,071	* 4,158	62,826	8,594
Slovakia	39,745	38,314	* 1,431	* 17,597	* 6,403
Slovenia	24,416	* 20,581	* 3,835	* 12,672	* 12,037
Spain (including Canary Isles)	4,564,238	3,735,579	828,659	3,219,268	521,740
Sweden	3,660,956	2,429,310	1,231,646	146,830	163,250
United Kingdom and Northern Ireland (including Gibraltar)	16,902,576	10,083,403	6,819,173	3,509,869	8,243,708
Other European countries, total	11,378,040	5,041,243	6,336,797	2,615,402	4,675,601
Croatia	* 72,966	* 72,966	0	* 9,994	* 11
Guernsey	* 19,378	* 11,205	* 8,173	* 1,750	63,138
Jersey	237,091	* 102,078	135,013	* 68,630	503,332
Norway	1,705,415	1,596,136	109,279	1,456,179	58,482
Russia	653,841	651,201	* 2,640	146,344	* 9,895
Switzerland	8,428,623	2,387,279	6,041,344	834,622	3,998,804
Ukraine	* 154,140	* 154,140	0	* 39,330	* 168
Other European countries	106,587	66,239	* 40,348	* 58,552	41,771
Africa, total	2,400,541	1,774,391	626,150	1,183,035	447,871
North Africa, total	136,529	135,826	* 703	20,641	2,466
Egypt	85,323	84,676	* 647	17,740	1,841
Morocco	32,010	32,010	0	* 877	* 526
Other North African countries	* 19,197	* 19,140	* 56	* 2,023	* 99
East Africa, total	985,378	695,554	289,824	661,780	272,544
Mauritius	977,435	687,871	289,563	659,521	272,337
Other East African countries	* 7,943	* 7,683	* 260	* 2,258	* 206
West and Central Africa, total	455,650	202,534	* 253,116	185,191	38,943
Liberia	* 328,699	* 82,568	* 246,131	* 82,568	14,998
Nigeria	79,255	76,536	* 2,719	* 65,740	* 8,399
Other West and Central African countries	47,696	43,431	* 4,265	* 36,883	* 15,546
Southern Africa, total	822,984	740,477	82,508	315,424	133,918
South Africa	797,660	716,974	80,686	306,343	132,926
Other Southern African countries	25,325	23,503	* 1,821	* 9,080	* 992
Asia, total	20,791,514	16,223,199	4,568,315	6,341,419	6,112,474
Central, Northern, and Southwestern Asia, total	745,272	615,324	129,949	292,934	96,130
Turkey	661,663	532,344	* 129,319	255,678	95,265
Other Central, Northern, and Southwestern Asian countries	* 83,609	* 82,979	* 630	* 37,256	* 864
Middle East, total	400,674	366,834	33,840	100,581	193,639
Israel	86,630	77,247	* 9,383	26,671	115,088
United Arab Emirates	112,168	91,022	* 21,146	* 1,895	65,784
Other Middle East countries	201,875	198,564	* 3,311	72,016	12,767
Southern and Southeastern Asia, total	7,125,069	5,135,712	1,989,357	2,045,413	1,558,063
India	272,855	257,875	14,979	114,784	159,875
Indonesia	1,204,781	1,193,376	* 11,405	186,213	14,443
Malaysia	360,936	347,623	13,313	168,862	80,480
Pakistan	27,224	26,265	* 959	* 11,650	* 2,443
Philippines	1,537,912	457,100	1,080,812	159,826	294,040
Singapore	3,239,339	2,405,350	833,990	1,167,118	849,515
Thailand	457,171	423,768	33,404	232,943	151,271
Vietnam	* 6,640	* 6,640	0	* 1,600	* 2,261
Other Southern and Southeastern Asian countries	18,211	17,715	* 496	* 2,417	* 3,735

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation of Controlled Foreign Corporation	Controlled Foreign Corporations				
	Distributions out of earnings and profits			Dividends paid to controlling U.S. corporation	Total Subpart F income
	Total	Not previously taxed earnings and profits	Previously taxed earnings and profits		
	(12)	(13)	(14)	(15)	(16)
Asia, total—continued					
Eastern Asia, total	12,520,500	10,105,330	2,415,170	3,902,491	4,264,642
China	1,465,851	1,380,503	85,348	488,399	307,378
Hong Kong	3,224,105	1,857,018	1,367,086	610,673	1,380,906
Japan (including Okinawa and Ryukyu Islands)	5,485,590	4,880,191	605,399	1,615,720	1,866,363
South Korea	1,887,908	1,558,334	329,574	977,938	626,465
Taiwan	453,657	426,758	26,899	209,293	67,123
Other Eastern Asian countries	* 3,389	* 2,526	* 863	* 469	* 16,407
Oceania, total	8,908,895	6,431,754	2,477,140	3,354,948	1,015,467
Australia	8,376,946	6,164,793	2,212,152	3,226,269	855,852
New Zealand	312,307	246,712	65,594	121,077	79,235
Other countries of Oceania	219,642	20,249	* 199,394	* 7,602	80,380
Puerto Rico and U.S. Possessions, total	906,201	810,410	95,791	601,727	128,871
Puerto Rico	672,101	579,126	92,974	371,857	121,546
U.S. Possessions, total	234,100	231,284	* 2,816	229,870	7,326
Virgin Islands, U.S.	208,378	207,703	* 675	* 207,012	* 3,472
Other U.S. Possessions	25,723	* 23,581	* 2,142	* 22,858	* 3,854
OPEC countries, total (countries included above)	2,763,161	2,644,583	118,578	554,691	162,115

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation of Controlled Foreign Corporation	Controlled Foreign Corporations						
	Receipts by foreign corporations from:						
	All sources	All related parties, total	U.S. corporation filing return	Domestic corporations controlled by U.S. corporation filing return	Any foreign corporations controlled by U.S. corporation filing return	All other related parties	Unrelated parties
	(17)	(18)	(19)	(20)	(21)	(22)	(23)
All geographic regions	4,819,870,637	1,326,943,908	227,694,388	269,152,485	829,974,925	122,110	3,535,062,255
Latin America, total	388,789,560	97,821,424	20,550,342	19,990,623	57,280,238	* 221	293,304,085
Mexico	203,604,893	61,660,577	14,862,627	14,128,680	32,669,264	* 6	143,604,783
Central America and Caribbean countries, total	23,135,829	6,255,038	1,072,779	1,234,248	3,948,011	0	16,997,243
Costa Rica	5,214,938	1,671,183	586,029	173,409	911,745	0	3,545,088
Dominican Republic	1,691,160	163,398	* 30,378	70,808	62,212	0	1,527,763
El Salvador	3,012,990	732,379	* 18,196	25,830	688,353	0	2,282,218
Guatemala	4,308,221	687,812	73,361	19,757	594,694	0	3,628,185
Honduras	2,229,911	1,237,281	331,210	389,372	516,698	0	992,970
Panama (including Canal Zone)	6,003,866	1,657,540	33,605	534,612	1,089,323	0	4,451,721
Other Central American and Caribbean countries	674,744	105,446	0	* 20,460	84,986	0	569,298
South America, total	162,048,838	29,905,809	4,614,936	4,627,695	20,662,963	* 215	132,702,058
Argentina	23,946,244	6,861,228	854,210	759,136	5,247,882	0	17,207,422
Bolivia	592,233	162,871	* 1,472	* 2,310	158,874	* 215	429,686
Brazil	85,296,215	12,770,127	1,208,729	2,125,000	9,436,399	0	72,750,762
Chile	16,325,176	3,326,048	369,026	811,237	2,145,785	0	13,193,338
Colombia	10,100,052	1,565,880	69,675	191,686	1,304,519	0	8,537,001
Ecuador	2,748,663	871,972	310,848	32,816	528,308	0	1,882,816
Peru	4,022,598	820,962	61,212	549,075	210,675	0	3,201,844
Uruguay	2,139,681	494,438	17,856	77,148	399,434	0	1,647,723
Venezuela	15,679,177	2,395,579	1,721,504	69,137	604,938	0	13,284,599
Other South American countries	1,198,798	636,702	* 405	* 10,149	626,148	0	566,867
Other Western Hemisphere, total	1,019,494,063	268,022,647	75,876,667	96,329,337	95,725,975	* 90,668	754,763,062
Bahamas	26,664,397	10,223,617	* 1,285,365	5,454,274	3,483,978	0	16,757,643
Barbados	4,453,877	634,590	107,639	245,481	281,471	0	3,837,414
Bermuda	230,203,753	75,030,866	17,130,308	24,891,341	33,009,216	0	155,949,992
British Virgin Islands	27,095,416	11,321,938	932,122	4,479,166	5,910,650	0	15,779,786
Canada	580,652,462	143,023,527	47,854,292	58,078,989	37,002,683	* 87,564	438,831,051
Cayman Islands	145,127,344	26,628,115	8,537,496	3,006,580	15,080,935	* 3,104	119,405,245
Jamaica	1,392,373	44,426	* 3,720	* 26,351	14,356	0	1,347,947
Netherlands Antilles	2,558,990	1,000,954	* 13,602	115,244	872,108	0	1,622,891
Trinidad and Tobago	530,117	32,400	* 2,277	* 9,946	20,177	0	497,717
Other Western Hemisphere countries	815,334	82,213	* 9,847	21,965	50,401	0	733,376
Europe, total	2,447,582,661	726,037,309	77,177,106	107,205,884	541,640,747	13,572	1,754,036,954
European Union, total	2,156,381,207	569,298,710	53,737,258	93,465,516	422,082,417	13,518	1,600,587,038
Austria	22,746,988	5,310,558	103,722	3,190,868	2,015,967	0	17,527,436
Belgium	53,946,960	21,584,643	482,023	1,400,201	19,702,312	* 106	34,329,087
Bulgaria	701,503	254,015	* 11,416	* 6,507	236,092	0	447,489
Cyprus	1,779,738	236,559	* 30,969	48,798	156,792	0	1,546,725
Czech Republic	12,733,432	3,004,982	188,572	202,241	2,614,168	0	9,754,766
Denmark	18,176,843	3,681,655	208,231	318,972	3,154,452	0	14,596,638
Estonia	462,882	240,602	* 33,011	* 46,248	161,343	0	224,806
Finland	7,736,838	1,452,681	52,878	175,284	1,224,519	0	6,285,960
France (including Corsica, Guadeloupe, Martinique, and Reunion)	140,197,949	36,627,707	2,736,735	3,228,378	30,662,594	0	106,036,600
Germany	225,492,273	66,092,806	5,639,371	4,212,729	56,240,706	0	160,189,986
Greece	7,345,769	510,461	11,201	50,773	448,488	0	6,863,720
Hungary	12,464,526	4,184,191	287,499	826,379	3,070,314	0	8,321,268
Ireland	168,565,706	55,645,611	7,732,481	13,616,001	34,297,027	* 102	113,815,175
Italy	73,985,525	11,560,572	902,472	640,763	10,011,496	* 5,842	62,956,629
Latvia	587,527	53,956	* 37	* 1,022	52,897	0	534,860
Lithuania	739,317	398,215	* 279	* 8,987	388,949	0	341,176
Luxembourg	212,365,063	28,478,754	1,263,936	3,701,742	23,513,076	0	184,116,816
Malta	593,144	115,332	* 628	* 198	114,506	0	477,911
Netherlands	305,677,784	95,109,747	8,531,334	16,876,109	69,702,304	0	212,423,487

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation of Controlled Foreign Corporation	Controlled Foreign Corporations						
	Receipts by foreign corporations from:						
	All sources	All related parties, total	U.S. corporation filing return	Domestic corporations controlled by U.S. corporation filing return	Any foreign corporations controlled by U.S. corporation filing return	All other related parties	Unrelated parties
	(17)	(18)	(19)	(20)	(21)	(22)	(23)
Europe, total—continued							
Poland	25,370,692	5,739,203	215,390	363,307	5,160,506	0	19,730,531
Portugal (including Azores)	15,072,920	2,941,152	166,853	198,616	2,575,683	0	12,154,552
Romania	4,117,303	1,473,061	105,769	67,106	1,300,186	0	2,682,197
Slovakia	2,980,161	1,060,315	* 1,059	87,570	971,686	0	1,921,222
Slovenia	1,175,832	457,543	* 12,733	* 12,288	432,522	0	721,312
Spain (including Canary Isles)	147,329,312	28,328,197	2,383,213	2,057,820	23,887,164	0	119,877,484
Sweden	49,553,736	22,811,815	5,520,197	803,286	16,488,141	* 191	26,864,503
United Kingdom and Northern Ireland (including Gibraltar)	644,481,488	171,944,377	17,115,250	41,323,323	113,498,527	* 7,276	475,844,703
Other European countries, total	291,201,453	156,738,600	23,439,848	13,740,368	119,558,330	* 54	153,449,916
Croatia	434,733	37,370	* 185	* 7,184	30,001	0	397,815
Guernsey	782,058	40,494	0	* 1,816	38,678	0	741,687
Jersey	4,073,416	503,828	* 5,980	237,066	260,782	0	3,587,588
Norway	16,693,323	6,865,490	158,227	139,848	6,567,415	0	9,835,711
Russia	14,970,113	4,460,381	240,481	195,411	4,024,489	0	10,552,709
Switzerland	247,790,701	143,332,244	22,981,669	13,082,787	107,267,734	* 54	123,371,639
Ukraine	3,593,532	1,145,661	* 22,294	* 15,032	1,108,335	0	2,449,958
Other European countries	2,863,577	353,133	31,013	* 61,224	260,895	0	2,512,810
Africa, total	40,522,758	8,675,266	1,993,517	2,873,966	3,807,727	* 57	31,976,870
North Africa, total	4,452,263	961,819	26,931	83,689	851,181	* 18	3,493,961
Egypt	2,633,117	507,192	* 17,239	53,986	435,949	* 18	2,127,875
Morocco	1,162,001	318,156	* 9,681	* 19,226	289,249	0	843,845
Other North African countries	657,145	136,471	* 10	* 10,477	125,983	0	522,241
East Africa, total	4,578,539	1,081,756	108,409	316,525	656,783	* 39	3,579,351
Mauritius	3,168,592	809,504	106,603	251,944	450,917	* 39	2,440,926
Other East African countries	1,409,947	272,252	* 1,806	* 64,580	205,866	0	1,138,425
West and Central Africa, total	8,940,188	3,378,900	1,190,683	1,963,728	224,489	0	5,565,739
Liberia	2,176,432	770,052	* 565,457	* 126,073	* 78,522	0	1,407,271
Nigeria	4,769,924	2,541,339	* 623,210	* 1,820,649	97,480	0	2,231,812
Other West and Central African countries	1,993,832	67,510	* 2,016	* 17,006	48,487	0	1,926,657
Southern Africa, total	22,551,769	3,252,791	667,494	510,024	2,075,273	0	19,337,820
South Africa	21,145,251	2,880,505	667,476	508,946	1,704,082	0	18,300,976
Other Southern African countries	1,406,518	372,286	* 17	* 1,078	371,191	0	1,036,844
Asia, total	759,034,695	195,957,182	41,976,237	38,595,685	115,367,667	* 17,593	565,976,700
Central, Northern, and Southwestern Asia, total	24,070,125	8,211,812	39,281	85,600	8,086,931	0	15,860,099
Turkey	22,366,774	8,164,443	32,052	81,708	8,050,683	0	14,202,762
Other Central, Northern, and Southwestern Asian countries	1,703,351	47,369	* 7,229	* 3,891	36,248	0	1,657,337
Middle East, total	19,206,879	6,505,041	2,579,207	1,132,861	2,792,973	0	12,838,373
Israel	14,590,869	5,765,629	2,557,084	1,046,593	2,161,951	0	8,945,597
United Arab Emirates	2,236,985	353,898	16,986	* 50,790	286,121	0	1,883,875
Other Middle East countries	2,379,024	385,514	* 5,136	35,477	344,900	0	2,008,901
Southern and Southeastern Asia, total	236,979,781	73,331,248	17,779,610	21,978,222	33,561,414	* 12,003	164,383,000
India	26,889,445	8,286,927	2,827,767	2,689,737	2,757,420	* 12,003	18,730,721
Indonesia	14,690,082	5,840,072	68,650	2,413,720	3,357,702	0	8,852,067
Malaysia	24,238,850	11,445,202	3,820,725	3,793,174	3,831,303	0	12,960,377
Pakistan	841,374	17,335	* 498	* 1,630	15,207	0	827,130
Philippines	13,970,420	6,587,450	4,611,258	364,142	1,612,050	0	7,537,859
Singapore	122,636,010	32,745,049	5,779,068	9,124,980	17,841,001	0	90,158,130
Thailand	32,292,708	8,287,713	644,118	3,579,797	4,063,798	0	24,017,289
Vietnam	646,735	45,065	* 10,276	* 8,112	26,676	0	601,670
Other Southern and Southeastern Asian countries	774,158	76,436	* 17,250	* 2,930	56,256	0	697,757

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation of Controlled Foreign Corporation	Controlled Foreign Corporations						
	Receipts by foreign corporations from:						
	All sources	All related parties, total	U.S. corporation filing return	Domestic corporations controlled by U.S. corporation filing return	Any foreign corporations controlled by U.S. corporation filing return	All other related parties	Unrelated parties
	(17)	(18)	(19)	(20)	(21)	(22)	(23)
Asia, total—continued							
Eastern Asia, total	478,777,911	107,909,081	21,578,139	15,399,003	70,926,349	* 5,590	372,895,228
China	82,098,329	31,528,093	11,243,427	2,429,111	17,852,984	* 2,571	50,849,204
Hong Kong	66,151,498	17,634,514	2,763,412	5,643,743	9,227,359	0	48,669,258
Japan (including Okinawa and Ryukyu Islands)	211,533,432	44,676,247	2,794,350	3,994,882	37,886,954	* 60	168,306,647
South Korea	79,929,828	7,115,490	1,826,711	1,332,489	3,953,348	* 2,941	72,906,133
Taiwan	37,246,615	5,769,124	2,804,312	1,260,677	1,704,117	* 18	31,530,021
Other Eastern Asian countries	1,818,209	1,185,613	* 145,926	* 738,101	301,586	0	633,964
Oceania, total	135,424,439	19,589,834	1,085,558	3,719,496	14,784,780	0	116,790,457
Australia	124,535,785	18,195,494	967,983	3,569,920	13,657,591	0	107,233,228
New Zealand	10,067,473	1,165,234	106,870	81,590	976,774	0	8,962,355
Other countries of Oceania	821,181	229,106	* 10,705	* 67,986	150,415	0	594,875
Puerto Rico and U.S. Possessions, total	29,022,461	10,840,246	9,034,961	437,494	1,367,792	0	18,214,127
Puerto Rico	26,729,345	10,758,635	8,984,389	426,672	1,347,573	0	16,002,572
U.S. Possessions, total	2,293,116	81,611	* 50,572	* 10,821	20,218	0	2,211,555
Virgin Islands, U.S.	1,342,697	25,167	* 5,506	* 3,639	* 16,022	0	1,317,530
Other U.S. Possessions	950,418	56,444	* 45,066	* 7,182	* 4,196	0	894,024
OPEC countries, total (countries included above)	39,184,444	11,479,690	2,433,369	4,366,908	4,679,413	0	27,719,576

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation of Controlled Foreign Corporation	Controlled Foreign Corporations						
	Payments by foreign corporations to:						
	All recipients	All related parties, total	U.S. corporation filing return	Domestic corporations controlled by U.S. corporation filing return	Any foreign corporations controlled by U.S. corporation filing return	All other related parties	Unrelated parties
	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All geographic regions							
Latin America, total	4,496,115,251	1,283,591,906	231,165,265	316,154,978	736,024,626	247,038	3,228,510,720
Mexico	363,953,511	84,508,133	16,603,577	26,749,523	41,117,667	37,366	280,270,444
Central America and Caribbean countries, total	189,100,327	46,495,132	9,723,524	15,161,269	21,578,469	* 31,871	143,176,109
Costa Rica	23,570,898	9,182,205	1,016,823	4,323,608	3,841,774	0	14,437,379
Dominican Republic	4,842,139	1,050,491	186,900	236,385	627,206	0	3,804,265
El Salvador	3,432,688	2,442,493	102,416	2,236,448	103,628	0	993,815
Guatemala	2,950,538	1,326,796	100,242	532,476	694,078	0	1,634,763
Honduras	3,905,905	1,158,293	216,606	447,249	494,439	0	2,753,336
Panama (including Canal Zone)	2,166,649	905,932	175,311	469,999	260,622	0	1,268,145
Other Central American and Caribbean countries	5,588,534	2,093,142	213,377	311,483	1,568,281	0	3,503,667
South America, total	684,445	205,057	21,970	89,567	93,519	0	479,388
Argentina	151,282,286	28,830,796	5,863,230	7,264,647	15,697,424	* 5,495	122,656,956
Bolivia	22,463,125	3,374,495	546,217	948,827	1,879,156	* 295	19,123,507
Brazil	530,527	57,213	5,211	21,764	29,763	* 475	473,446
Chile	81,256,915	12,826,197	3,155,260	2,999,228	6,667,039	* 4,671	68,460,882
Colombia	14,967,715	4,418,996	713,215	1,668,360	2,037,421	0	10,571,372
Ecuador	9,344,934	2,026,032	283,285	392,022	1,350,694	* 31	7,326,263
Peru	2,614,200	654,548	124,241	95,831	434,475	0	1,961,235
Uruguay	3,111,867	679,905	228,244	137,618	314,042	0	2,439,736
Venezuela	2,053,272	536,636	80,671	173,758	282,207	0	1,519,747
Other South American countries	13,812,760	4,031,017	704,644	822,188	2,504,186	0	9,879,553
Other Western Hemisphere, total	926,623,857	216,339,839	60,214,131	75,756,011	80,332,105	37,592	716,397,026
Bahamas	20,993,826	10,640,565	751,607	6,788,529	3,100,429	0	10,585,377
Barbados	4,059,829	999,626	245,129	518,847	235,650	0	3,069,545
Bermuda	201,471,125	55,223,585	14,849,634	16,400,803	23,973,095	* 52	149,639,140
British Virgin Islands	20,628,419	8,133,505	893,777	2,833,543	4,406,185	0	12,578,498
Canada	551,086,880	110,646,739	35,843,007	40,524,580	34,244,182	* 34,970	440,893,197
Cayman Islands	123,902,686	28,929,592	7,363,991	7,696,701	13,866,407	* 2,494	96,431,236
Jamaica	1,244,730	140,614	* 32,550	66,311	41,753	0	1,119,047
Netherlands Antilles	1,985,554	1,271,570	92,177	780,454	398,938	0	1,178,073
Trinidad and Tobago	528,848	108,315	45,231	39,189	23,895	0	424,007
Other Western Hemisphere countries	721,960	245,729	97,028	107,054	41,571	* 76	478,907
Europe, total	2,297,199,321	713,712,801	93,370,168	141,420,913	478,911,321	10,399	1,590,257,946
European Union, total	2,035,902,979	595,494,047	68,440,231	129,908,729	397,134,980	10,107	1,446,853,605
Austria	21,008,287	5,910,514	306,086	2,742,169	2,862,259	0	15,180,622
Belgium	52,206,651	18,671,099	2,027,890	2,513,576	14,129,633	0	33,797,620
Bulgaria	673,479	179,705	21,127	21,222	137,357	0	493,774
Cyprus	1,682,199	476,149	88,208	191,081	196,860	0	1,210,368
Czech Republic	12,277,317	2,509,111	135,905	495,242	1,877,965	0	9,787,829
Denmark	16,031,036	4,204,156	284,465	919,977	2,999,714	0	11,830,350
Estonia	441,842	94,301	* 25,732	1,517	67,051	0	347,542
Finland	7,686,640	2,058,495	101,973	204,667	1,751,854	0	5,631,907
France (including Corsica, Guadeloupe, Martinique, and Reunion)	136,444,550	40,645,418	3,765,558	6,927,762	29,952,099	0	96,200,276
Germany	224,075,127	50,355,296	6,648,477	7,755,933	35,950,885	0	173,927,362
Greece	7,114,479	1,842,807	71,291	236,179	1,535,336	0	5,275,046
Hungary	11,767,129	3,241,155	151,227	773,122	2,316,807	0	8,548,409
Ireland	141,555,265	63,194,087	12,659,086	8,558,900	41,975,658	* 443	78,811,320
Italy	70,669,944	18,053,659	1,097,181	2,501,665	14,454,059	* 755	52,730,463
Latvia	577,886	56,551	* 3,862	11,335	41,355	0	521,927
Lithuania	680,150	115,878	* 503	* 6,298	109,077	0	564,272
Luxembourg	196,599,586	54,490,482	3,533,930	21,489,648	29,466,904	0	142,344,585
Malta	537,122	85,296	* 1,761	* 3,727	79,808	0	451,826
Netherlands	286,185,228	100,137,164	18,387,334	18,543,384	63,204,754	* 1,692	189,091,227

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation of Controlled Foreign Corporation	Controlled Foreign Corporations						
	Payments by foreign corporations to:						
	All recipients	All related parties, total	U.S. corporation filing return	Domestic corporations controlled by U.S. corporation filing return	Any foreign corporations controlled by U.S. corporation filing return	All other related parties	Unrelated parties
(24)	(25)	(26)	(27)	(28)	(29)	(30)	
Europe, total—continued							
Poland	24,058,356	5,896,494	372,690	685,222	4,838,189	* 393	18,227,149
Portugal (including Azores)	13,080,875	3,871,098	116,208	1,216,468	2,538,179	* 243	9,227,742
Romania	3,998,595	1,403,088	47,255	89,116	1,266,717	0	2,732,924
Slovakia	2,854,202	504,091	60,520	27,903	415,668	0	2,350,880
Slovenia	1,124,860	388,166	69,517	27,116	291,533	0	737,283
Spain (including Canary Isles)	139,515,418	27,375,854	1,368,023	6,669,858	19,336,724	* 1,249	112,381,354
Sweden	47,442,448	19,543,625	1,426,759	1,181,260	16,934,043	* 1,562	27,944,042
United Kingdom and Northern Ireland (including Gibraltar)	615,614,308	170,190,308	15,667,663	46,114,382	108,404,492	* 3,772	446,505,503
Other European countries, total	261,296,341	118,218,754	24,929,937	11,512,184	81,776,341	* 292	143,404,341
Croatia	970,891	91,921	* 15,010	5,107	71,804	0	878,970
Guernsey	599,873	146,216	* 5,558	* 3,451	137,206	0	453,661
Jersey	2,224,171	512,472	84,719	179,200	248,553	0	1,713,224
Norway	12,771,806	4,348,598	2,018,695	244,141	2,085,762	0	8,434,547
Russia	14,218,875	4,231,269	213,084	375,845	3,642,340	0	10,009,955
Switzerland	225,034,797	107,072,015	22,479,125	10,549,581	74,043,017	* 292	118,191,184
Ukraine	3,339,867	1,388,735	* 34,882	105,315	1,248,538	0	1,960,703
Other European countries	2,136,061	427,527	78,862	49,545	299,120	0	1,762,097
Africa, total	37,574,539	9,580,077	1,661,965	3,411,565	4,498,731	* 7,816	28,133,593
North Africa, total	4,330,692	770,512	38,212	52,589	677,561	* 2,150	3,560,204
Egypt	2,551,602	455,625	12,819	27,154	413,502	* 2,150	2,096,001
Morocco	1,158,520	205,152	* 23,335	* 4,334	177,483	0	953,369
Other North African countries	620,569	109,734	* 2,058	* 21,100	86,576	0	510,835
East Africa, total	5,459,571	1,657,634	669,979	608,080	375,670	* 3,905	3,810,874
Mauritius	4,076,999	1,409,234	666,808	425,510	313,220	* 3,697	2,676,681
Other East African countries	1,382,571	248,400	3,171	182,571	62,450	* 208	1,134,193
West and Central Africa, total	6,502,963	1,296,444	128,406	544,490	623,548	0	5,232,225
Liberia	1,740,591	384,744	* 32,250	* 81,768	270,726	0	1,356,769
Nigeria	2,807,204	668,316	85,175	331,310	251,831	0	2,144,700
Other West and Central African countries	1,955,168	243,384	10,980	131,412	100,991	0	1,730,756
Southern Africa, total	21,281,314	5,855,488	825,368	2,206,406	2,821,953	* 1,761	15,530,290
South Africa	19,957,088	5,569,580	819,673	2,194,749	2,553,397	* 1,761	14,491,949
Other Southern African countries	1,324,226	285,908	* 5,695	11,657	268,556	0	1,038,341
Asia, total	716,414,754	218,799,843	51,291,489	54,535,721	112,819,135	153,498	499,488,484
Central, Northern, and Southwestern Asia, total	22,457,960	5,460,314	505,420	199,689	4,755,205	0	17,004,395
Turkey	21,326,719	5,327,965	453,081	161,638	4,713,246	0	16,005,376
Other Central, Northern, and Southwestern Asian countries	1,131,241	132,349	* 52,339	38,051	41,959	0	999,020
Middle East, total	17,746,939	3,403,294	376,257	516,952	2,509,828	* 258	14,377,733
Israel	13,402,168	1,631,418	242,933	215,749	1,172,478	* 258	11,774,228
United Arab Emirates	2,108,841	995,113	113,629	142,258	739,225	0	1,122,083
Other Middle East countries	2,235,929	776,763	19,694	158,944	598,124	0	1,481,422
Southern and Southeastern Asia, total	223,597,025	63,250,882	20,286,559	15,863,644	26,968,897	131,782	161,129,480
India	24,534,354	3,645,079	715,622	1,032,822	1,896,633	* 2	20,962,523
Indonesia	13,095,315	3,920,124	236,153	276,411	3,407,560	0	9,191,653
Malaysia	22,414,206	8,439,114	1,466,592	2,932,973	4,037,445	* 2,104	13,999,363
Pakistan	752,738	191,747	15,234	14,639	144,605	* 17,269	561,329
Philippines	14,028,100	6,647,030	3,142,840	1,296,843	2,207,348	0	7,395,555
Singapore	116,615,855	35,971,040	14,024,202	8,929,838	12,905,777	* 111,223	81,189,689
Thailand	30,816,022	3,956,259	528,350	1,265,290	2,161,436	* 1,183	26,940,247
Vietnam	645,611	224,083	24,305	67,734	132,044	0	449,132
Other Southern and Southeastern Asian countries	694,824	256,404	133,260	47,095	76,049	0	439,990

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 2. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, Subpart F Income, and Related Party Transactions, by Selected Country of Incorporation of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation of Controlled Foreign Corporation	Controlled Foreign Corporations						
	Payments by foreign corporations to:						
	All recipients	All related parties, total	U.S. corporation filing return	Domestic corporations controlled by U.S. corporation filing return	Any foreign corporations controlled by U.S. corporation filing return	All other related parties	Unrelated parties
(24)	(25)	(26)	(27)	(28)	(29)	(30)	
Asia, total—continued							
Eastern Asia, total	452,612,830	146,685,353	30,123,253	37,955,436	78,585,206	21,458	306,976,876
China	77,656,990	19,712,455	4,906,696	2,563,693	12,238,653	* 3,412	58,316,507
Hong Kong	62,100,518	23,810,782	3,451,855	5,585,579	14,773,001	* 347	38,500,705
Japan (including Okinawa and Ryukyu Islands)	201,645,408	74,217,887	14,046,747	23,106,513	37,053,823	* 10,804	127,854,438
South Korea	73,960,914	19,710,355	3,547,875	5,741,047	10,416,508	* 4,925	54,271,304
Taiwan	35,499,306	9,012,994	4,096,897	900,494	4,013,632	* 1,971	26,504,208
Other Eastern Asian countries	1,749,694	220,881	73,182	* 58,110	89,589	0	1,529,715
Oceania, total	127,021,585	29,491,309	4,793,732	6,950,444	17,746,767	* 366	97,752,576
Australia	116,635,496	27,302,377	4,369,744	6,359,637	16,572,630	* 366	89,507,345
New Zealand	9,541,364	1,876,971	238,714	585,179	1,053,078	0	7,712,233
Other countries of Oceania	844,725	311,961	185,275	5,628	121,058	0	532,998
Puerto Rico and U.S. Possessions, total	27,327,685	11,159,904	3,230,204	7,330,800	598,901	0	16,210,651
Puerto Rico	25,098,128	10,625,252	2,791,059	7,303,860	530,333	0	14,515,381
U.S. Possessions, total	2,229,556	534,653	439,145	26,940	68,568	0	1,695,270
Virgin Islands, U.S.	1,251,354	393,366	328,341	15,244	49,780	0	858,354
Other U.S. Possessions	978,202	141,287	* 110,804	11,696	18,787	0	836,916
OPEC countries, total (countries included above)	33,546,683	10,345,754	1,144,744	1,723,976	7,477,034	0	23,329,366

* Data should be used with caution because of the small number of returns on which they are based.

[1] Number of returns is not additive because some U.S. corporations had Controlled Foreign Corporations in more than one country.

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

Controlled Foreign Corporations, 2006

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Number of U.S. corporation returns [1]	Controlled Foreign Corporations					
		Number of foreign corporations	Total assets		Total receipts	Current earnings and profits (less deficit) before income taxes	Income taxes
			Beginning of year	End of year			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
ALL GEOGRAPHIC REGIONS [2]							
All industries	11,873	78,249	9,809,404,944	11,666,004,281	4,819,870,637	509,527,961	98,616,121
Raw materials and energy production	458	2,502	339,159,158	406,666,989	231,754,208	64,077,207	21,376,094
Goods production	4,137	19,917	1,559,297,877	1,707,725,994	1,878,079,547	142,386,654	25,320,580
Distribution and transportation of goods	3,221	16,191	780,229,045	843,280,710	1,264,349,512	69,134,073	14,266,863
Information	964	4,551	233,910,650	229,525,818	109,640,278	9,209,518	2,424,566
Finance, insurance, real estate, and rental and leasing	2,205	9,828	4,473,698,313	5,681,910,503	513,377,523	94,022,146	15,998,194
Services	5,107	25,039	2,422,617,468	2,796,140,314	822,329,696	130,729,761	19,222,247
ARGENTINA [2]							
All industries	589	912	20,142,340	22,162,906	23,946,244	2,223,248	607,794
Raw materials and energy production	35	69	4,525,615	3,956,998	2,342,611	475,569	92,590
Goods production	141	196	5,498,787	6,031,860	8,349,731	721,166	247,183
Distribution and transportation of goods	147	161	4,081,056	4,513,378	9,377,668	305,882	132,463
Information	d	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	145	208	3,536,988	4,484,102	1,678,742	365,251	65,417
Services	148	222	1,825,977	2,522,058	1,477,675	306,675	48,599
AUSTRALIA [2]							
All industries	1,289	2,651	318,623,254	358,270,203	124,535,785	14,528,446	2,975,906
Raw materials and energy production	45	127	13,443,489	18,870,686	6,307,886	1,757,838	449,821
Goods production	352	538	31,861,258	35,609,403	41,408,212	3,735,489	1,145,144
Distribution and transportation of goods	380	495	11,344,754	12,796,060	17,321,295	927,161	287,513
Information	115	228	15,542,166	17,422,281	4,542,459	82,196	71,450
Finance, insurance, real estate, and rental and leasing	116	328	134,246,503	158,973,451	16,693,105	4,235,967	500,393
Services	519	930	112,183,704	114,561,718	38,256,094	3,788,619	521,580
AUSTRIA							
All industries	373	541	21,997,195	25,466,744	22,746,988	2,876,760	534,937
Raw materials and energy production	5	7	* 202,073	* 215,076	* 107,905	* 3,898	* 2,055
Goods production	101	114	7,784,064	8,815,646	9,374,070	646,427	140,645
Distribution and transportation of goods	150	177	2,332,252	2,751,972	4,459,716	269,428	55,657
Information	24	38	692,630	951,556	433,792	19,127	6,709
Finance, insurance, real estate, and rental and leasing	24	35	2,150,279	2,290,599	294,461	64,730	6,628
Services	119	169	8,835,897	10,441,895	8,077,044	1,880,946	323,243
BAHAMAS							
All industries	94	385	64,823,713	85,501,925	26,664,397	8,700,182	2,246,231
Raw materials and energy production	15	213	20,744,908	21,970,873	10,897,267	4,178,975	1,787,919
Goods production	d	d	d	d	d	d	d
Distribution and transportation of goods	21	39	2,455,982	2,157,944	5,963,803	118,514	* 25,449
Information	d	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	31	50	14,450,719	22,090,025	2,212,706	1,085,337	* 38,567
Services	34	62	23,386,485	31,070,347	2,826,839	2,456,290	* 373,097
BELGIUM [2]							
All industries	664	1,189	71,164,699	76,790,311	53,946,960	2,721,469	831,836
Raw materials and energy production	d	d	d	d	d	d	d
Goods production	224	333	29,531,690	31,288,481	28,859,836	888,442	402,971
Distribution and transportation of goods	243	339	9,058,899	10,157,039	13,421,941	432,265	168,065
Information	37	55	894,145	1,097,985	1,059,915	206,213	9,806
Finance, insurance, real estate, and rental and leasing	54	84	18,209,431	18,161,942	2,544,698	453,343	75,144
Services	238	369	13,392,783	16,001,706	7,889,805	722,794	174,300

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Number of U.S. corporation returns [1]	Controlled Foreign Corporations					
		Number of foreign corporations	Total assets		Total receipts	Current earnings and profits (less deficit) before income taxes	Income taxes
			Beginning of year	End of year			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
BERMUDA [2]							
All industries	428	978	600,562,946	729,332,704	230,203,753	48,924,357	6,181,646
Raw materials and energy production	14	181	37,497,786	48,131,455	19,671,538	9,367,554	4,022,361
Goods production	39	43	71,816,051	76,620,263	68,349,135	11,507,447	361,974
Distribution and transportation of goods	42	54	19,028,522	23,878,256	49,565,521	3,123,925	243,842
Information	8	8	* 1,519,441	* 1,670,417	* 1,410,966	* 94,853	* 11,174
Finance, insurance, real estate, and rental and leasing	265	403	114,908,420	120,954,140	21,007,205	4,563,547	266,688
Services	162	286	355,781,029	458,078,151	70,199,350	20,267,009	1,275,606
BRAZIL [2]							
All industries	964	1,692	108,824,260	130,631,204	85,296,215	10,777,914	2,210,859
Raw materials and energy production	38	73	12,732,817	11,415,000	7,891,772	2,983,233	502,910
Goods production	344	510	31,501,121	38,806,289	44,902,966	3,858,483	943,256
Distribution and transportation of goods	254	335	9,249,782	13,123,146	14,649,551	523,948	219,909
Information	79	110	1,592,043	2,243,056	1,716,153	36,323	29,727
Finance, insurance, real estate, and rental and leasing	69	157	39,265,460	48,497,113	10,109,434	2,354,673	337,638
Services	332	497	14,460,297	16,514,495	6,008,043	1,019,480	175,764
BRITISH VIRGIN ISLANDS [2]							
All industries	254	424	60,972,023	45,401,183	27,095,416	6,693,973	1,179,058
Raw materials and energy production	17	33	9,468,937	11,502,146	4,339,924	2,176,436	633,278
Goods production	39	43	8,167,142	10,824,663	14,481,136	2,116,293	7,825
Distribution and transportation of goods	26	32	626,372	936,175	1,229,206	32,655	* 9,916
Information	d	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	48	65	28,222,029	4,004,029	2,207,037	789,961	* 430,805
Services	139	237	14,421,835	17,997,029	4,740,691	1,579,463	96,690
CANADA [2]							
All industries	3,776	6,935	828,387,526	948,892,794	580,652,462	42,246,980	11,097,554
Raw materials and energy production	137	274	114,048,481	139,682,573	86,855,656	11,188,464	2,702,097
Goods production	1,168	1,653	210,429,976	223,968,373	225,524,949	9,614,724	3,110,019
Distribution and transportation of goods	1,310	1,842	80,014,849	82,269,823	159,200,905	5,917,698	2,165,867
Information	188	277	6,995,652	9,341,926	6,776,964	632,237	269,852
Finance, insurance, real estate, and rental and leasing	383	754	290,085,247	345,985,818	39,105,680	7,681,639	1,759,583
Services	1,307	2,124	126,772,691	147,569,208	63,179,092	7,212,997	1,089,991
CAYMAN ISLANDS [2]							
All industries	652	1,580	561,940,926	646,609,465	145,127,344	25,807,629	4,859,278
Raw materials and energy production	38	190	29,525,919	42,110,580	21,084,881	9,233,980	3,223,621
Goods production	78	107	31,150,196	34,772,448	42,795,451	3,674,171	220,329
Distribution and transportation of goods	45	55	13,871,296	24,063,073	18,771,522	789,757	112,296
Information	d	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	299	722	221,598,537	425,905,457	26,269,926	6,618,701	641,429
Services	264	494	265,719,647	119,697,236	36,172,635	5,495,687	659,013
CHILE [2]							
All industries	398	684	33,817,510	35,605,584	16,325,176	3,396,013	530,481
Raw materials and energy production	23	52	8,507,305	8,112,394	5,342,216	2,340,914	414,291
Goods production	101	116	3,159,541	3,617,170	3,393,568	328,820	23,411
Distribution and transportation of goods	165	193	2,119,452	2,605,320	3,892,624	183,606	33,040
Information	23	36	2,902,091	2,125,328	811,826	33,113	7,893
Finance, insurance, real estate, and rental and leasing	50	94	9,819,761	12,309,646	1,283,270	183,446	27,568
Services	100	190	7,306,914	6,831,124	1,601,562	326,166	24,277

Footnotes at end of table.

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Number of U.S. corporation returns [1]	Controlled Foreign Corporations					
		Number of foreign corporations	Total assets		Total receipts	Current earnings and profits (less deficit) before income taxes	Income taxes
			Beginning of year	End of year			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
CHINA [2]							
All industries	1,739	3,426	48,821,791	65,480,943	82,098,329	6,093,070	760,268
Raw materials and energy production	17	43	260,223	465,021	590,970	69,050	1,195
Goods production	936	1,742	32,819,574	41,347,702	56,322,197	3,886,310	427,950
Distribution and transportation of goods	404	622	6,044,274	9,485,657	14,147,687	1,060,828	157,292
Information	171	213	234,556	356,537	235,295	-39,971	5,236
Finance, insurance, real estate, and rental and leasing	44	64	1,792,531	3,013,609	795,248	47,850	12,804
Services	507	731	7,667,269	10,771,513	9,993,473	1,069,082	155,166
COLOMBIA							
All industries	264	391	7,273,131	9,525,789	10,100,052	907,451	310,649
Raw materials and energy production	10	17	40,814	88,467	84,402	6,565	* 536
Goods production	78	100	3,017,792	3,908,887	5,371,833	525,936	165,426
Distribution and transportation of goods	83	98	927,154	1,002,503	3,173,761	190,691	46,527
Information	36	39	178,426	168,105	192,559	15,769	4,110
Finance, insurance, real estate, and rental and leasing	20	43	2,625,833	3,890,410	918,632	165,837	79,626
Services	59	94	483,111	467,416	358,866	2,653	14,423
COSTA RICA							
All industries	275	375	4,043,574	5,049,709	5,214,938	514,402	84,068
Raw materials and energy production	7	25	357,448	526,303	659,277	19,814	4,544
Goods production	69	84	1,945,439	2,176,711	2,406,747	300,498	41,698
Distribution and transportation of goods	53	68	450,822	651,952	1,540,823	56,628	22,251
Information	12	13	27,430	39,493	58,355	1,363	* 1,439
Finance, insurance, real estate, and rental and leasing	14	32	1,126,070	1,499,920	376,526	116,263	10,327
Services	148	153	136,366	155,330	173,210	19,835	3,809
CZECH REPUBLIC							
All industries	339	511	16,244,810	21,257,208	12,733,432	833,717	239,138
Raw materials and energy production	d	d	d	d	d	d	d
Goods production	132	176	4,324,342	5,134,877	7,946,827	283,919	95,358
Distribution and transportation of goods	104	125	958,310	1,261,575	2,193,633	157,982	45,818
Information	d	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	24	37	7,969,420	10,563,624	1,142,488	298,243	76,368
Services	101	144	2,358,535	2,988,267	1,217,660	83,332	18,720
DENMARK							
All industries	410	675	27,368,353	34,207,215	18,176,843	1,330,041	262,018
Raw materials and energy production	10	10	* 81,433	107,485	158,446	23,505	* 5,433
Goods production	123	158	10,474,896	16,153,337	7,418,968	457,340	54,611
Distribution and transportation of goods	155	181	1,834,537	2,240,161	3,960,416	210,386	58,092
Information	25	29	121,697	160,903	253,812	-11,049	1,333
Finance, insurance, real estate, and rental and leasing	32	52	5,751,789	4,192,637	1,183,881	232,076	50,659
Services	144	246	9,104,001	11,352,693	5,201,321	417,782	91,890
FINLAND							
All industries	241	355	9,992,659	10,424,026	7,736,838	407,091	103,403
Raw materials and energy production	0	0	0	0	0	0	0
Goods production	68	82	2,110,087	2,135,970	2,878,969	180,440	56,566
Distribution and transportation of goods	88	104	1,635,426	1,670,235	3,098,455	110,219	24,175
Information	17	18	53,104	64,125	105,154	856	1,817
Finance, insurance, real estate, and rental and leasing	14	25	2,059,723	2,471,542	252,176	22,739	5,465
Services	80	126	4,134,319	4,082,154	1,402,085	92,836	15,380
FRANCE (incl. Corsica, Guadeloupe, Martinique, and Reunion) [2]							
All industries	1,463	3,381	231,408,189	263,801,593	140,197,949	10,307,697	2,682,312
Raw materials and energy production	21	32	1,923,685	887,240	1,122,556	96,870	10,563
Goods production	524	982	60,333,862	69,433,146	64,222,667	3,415,783	810,288
Distribution and transportation of goods	450	667	16,369,138	18,752,988	25,297,546	1,380,797	388,492
Information	95	187	6,509,289	9,217,760	4,214,406	376,037	79,074
Finance, insurance, real estate, and rental and leasing	100	247	75,415,166	83,641,424	10,656,939	2,730,015	587,911
Services	615	1,257	70,845,643	81,848,541	34,667,973	2,311,189	805,242

Footnotes at end of table.

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Number of U.S. corporation returns [1]	Controlled Foreign Corporations					
		Number of foreign corporations	Total assets		Total receipts	Current earnings and profits (less deficit) before income taxes	Income taxes
			Beginning of year	End of year			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
GERMANY [2]							
All industries	1,888	4,160	311,444,317	371,973,326	225,492,273	14,041,700	3,524,132
Raw materials and energy production	45	51	378,967	349,021	373,430	38,708	16,084
Goods production	659	1,179	97,647,315	104,659,450	126,029,877	5,673,858	1,662,698
Distribution and transportation of goods	614	901	35,140,708	38,431,054	46,239,262	1,789,586	609,806
Information	116	207	2,962,275	3,544,265	3,392,224	83,345	58,978
Finance, insurance, real estate, and rental and leasing	137	310	83,944,843	102,304,059	10,978,808	2,764,884	390,470
Services	808	1,491	91,328,511	122,624,865	38,454,862	3,686,549	785,137
GREECE							
All industries	179	246	5,446,004	6,546,475	7,345,769	466,743	184,934
Raw materials and energy production	d	d	d	d	d	d	d
Goods production	46	50	1,610,472	1,819,419	3,438,388	157,382	56,926
Distribution and transportation of goods	70	82	1,799,430	2,262,869	3,232,811	213,972	91,646
Information	13	16	394,553	460,413	157,667	9,590	7,610
Finance, insurance, real estate, and rental and leasing	d	d	d	d	d	d	d
Services	52	84	1,086,101	1,232,383	352,653	36,246	17,078
HONG KONG [2]							
All industries	1,190	1,978	102,736,702	119,123,338	66,151,498	9,856,015	1,155,210
Raw materials and energy production	4	6	* 3,680,647	* 3,505,362	* 1,606,326	* 659,585	* 113,862
Goods production	250	315	6,513,922	6,741,587	10,874,388	768,848	81,307
Distribution and transportation of goods	408	545	10,649,898	12,084,383	24,734,348	1,759,649	272,556
Information	78	106	1,021,985	1,270,808	1,339,657	2,802	14,355
Finance, insurance, real estate, and rental and leasing	107	220	62,980,758	67,935,573	13,509,854	2,460,113	462,385
Services	512	780	17,887,779	27,579,993	14,086,313	4,205,103	210,691
HUNGARY [2]							
All industries	308	437	16,942,871	23,508,144	12,464,526	1,083,197	125,593
Raw materials and energy production	d	d	d	d	d	d	d
Goods production	98	118	6,732,516	9,557,030	7,786,790	738,913	37,699
Distribution and transportation of goods	90	105	1,006,703	1,459,415	2,081,362	84,645	19,797
Information	23	34	709,715	548,460	565,372	53,975	6,836
Finance, insurance, real estate, and rental and leasing	29	46	6,324,637	8,694,800	931,233	122,088	42,603
Services	90	123	2,006,255	2,629,280	1,047,315	89,621	17,537
INDIA [2]							
All industries	1,158	1,634	19,508,680	27,471,452	26,889,445	2,939,908	738,078
Raw materials and energy production	11	16	* 148,989	187,601	115,397	48,773	* 13,591
Goods production	258	354	7,769,029	9,378,452	10,808,233	1,242,008	297,436
Distribution and transportation of goods	163	197	1,964,334	2,372,462	4,808,474	145,107	93,401
Information	112	136	991,638	1,888,228	1,972,689	372,434	44,666
Finance, insurance, real estate, and rental and leasing	37	75	3,924,455	7,098,398	1,426,714	250,346	90,927
Services	671	853	4,710,090	6,544,224	7,756,982	881,735	197,936
INDONESIA [2]							
All industries	216	338	12,368,126	14,533,675	14,690,082	3,808,435	2,069,040
Raw materials and energy production	16	27	5,855,825	5,917,246	4,261,614	1,829,882	585,364
Goods production	86	111	2,744,561	4,505,220	5,226,706	453,370	243,239
Distribution and transportation of goods	48	63	434,632	567,891	3,843,503	88,990	28,647
Information	d	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	21	38	2,913,516	3,072,684	1,020,107	210,417	22,410
Services	61	79	334,361	392,587	268,985	1,218,320	1,183,954
IRELAND [2]							
All industries	642	1,140	346,978,415	513,394,734	168,565,706	33,556,071	1,863,666
Raw materials and energy production	9	9	* 25,886	* 30,445	* 18,711	* 4,236	* 88
Goods production	183	231	40,686,059	41,087,294	77,478,111	12,848,856	247,478
Distribution and transportation of goods	159	189	11,445,798	30,063,009	28,111,401	1,562,373	151,922
Information	38	45	4,071,714	7,349,165	7,089,011	1,720,025	54,584
Finance, insurance, real estate, and rental and leasing	152	339	220,370,544	318,264,512	18,068,608	3,324,593	378,526
Services	222	325	70,283,971	116,600,265	37,789,694	14,100,871	1,031,067

Footnotes at end of table.

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Number of U.S. corporation returns [1]	Controlled Foreign Corporations					
		Number of foreign corporations	Total assets		Total receipts	Current earnings and profits (less deficit) before income taxes	Income taxes
			Beginning of year	End of year			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
ISREAL [2]							
All industries	564	803	22,227,968	29,063,753	14,590,869	1,290,654	239,763
Raw materials and energy production	5	5	* 1,471	* 4,860	* 113	* -3,563	0
Goods production	133	190	15,926,797	20,765,307	9,365,462	1,097,992	159,767
Distribution and transportation of goods	60	67	561,911	798,116	1,142,425	88,181	8,832
Information	154	160	159,929	265,992	296,946	-30,120	1,387
Finance, insurance, real estate, and rental and leasing	22	42	1,284,344	1,802,437	297,934	50,262	7,241
Services	241	334	4,287,537	5,427,806	3,487,978	89,092	62,536
ITALY[2]							
All industries	909	1,699	82,200,140	93,511,546	73,985,525	6,534,605	2,094,535
Raw materials and energy production	12	17	147,178	326,048	160,831	19,640	9,587
Goods production	306	551	42,264,604	47,301,443	37,801,519	3,660,171	1,105,924
Distribution and transportation of goods	343	447	14,202,346	15,958,288	19,528,925	1,031,316	417,052
Information	60	90	1,144,088	1,249,073	1,501,268	138,961	62,132
Finance, insurance, real estate, and rental and leasing	61	136	12,713,367	15,242,226	3,585,429	301,400	171,736
Services	268	449	11,723,872	13,418,391	11,401,539	1,381,466	327,316
JAPAN (including Okinawa and Ryukyu Islands) [2]							
All industries	1,379	2,554	389,503,893	473,249,351	211,533,432	15,745,699	5,483,472
Raw materials and energy production	d	d	d	d	d	d	d
Goods production	374	548	51,762,543	53,883,763	91,910,715	6,057,160	2,006,448
Distribution and transportation of goods	447	599	27,333,169	27,436,140	49,578,665	1,865,652	961,948
Information	122	169	3,724,723	4,628,831	5,141,802	658,191	282,999
Finance, insurance, real estate, and rental and leasing	79	510	278,790,047	356,100,274	36,909,841	5,520,177	1,421,504
Services	523	721	27,817,076	31,123,690	27,920,354	1,632,124	804,877
LUXEMBOURG [2]							
All industries	294	515	530,915,954	551,577,959	212,365,063	17,031,369	2,225,896
Raw materials and energy production	3	3	* 2,721,604	* 2,784,789	* 1,656,924	* 310,116	* 47,610
Goods production	56	63	82,140,162	69,392,080	30,883,491	1,678,130	277,970
Distribution and transportation of goods	29	35	113,343,998	112,984,302	126,214,156	9,709,498	1,307,942
Information	15	18	4,029,033	4,577,837	842,131	-229,819	* 1,533
Finance, insurance, real estate, and rental and leasing	66	181	175,892,151	189,365,217	13,789,766	1,679,067	111,289
Services	161	212	152,789,006	172,473,734	38,978,596	3,884,379	479,551
MALAYSIA [2]							
All industries	497	829	26,613,422	28,062,580	24,238,850	2,077,421	266,214
Raw materials and energy production	9	15	227,488	260,509	207,110	22,755	3,994
Goods production	170	244	7,508,861	8,802,513	15,401,502	898,448	83,765
Distribution and transportation of goods	146	193	1,261,426	1,542,498	3,947,374	232,717	68,011
Information	30	38	25,645	36,098	58,558	-1,455	250
Finance, insurance, real estate, and rental and leasing	38	75	14,712,064	15,254,761	1,341,171	223,210	76,506
Services	181	261	2,876,842	2,163,254	3,276,020	700,968	33,644
MAURITIUS [2]							
All industries	227	286	11,524,881	17,715,305	3,168,592	29,474	155,015
Raw materials and energy production	d	d	d	d	d	d	d
Goods production	21	22	372,196	385,030	343,910	26,960	* 2,667
Distribution and transportation of goods	8	9	* 112,580	* 117,079	* 222,030	* 4,078	* 307
Information	7	7	* 176,109	* 224,529	* 125,340	* 5,694	* 2,308
Finance, insurance, real estate, and rental and leasing	40	50	915,244	1,178,726	456,318	428,991	* 450
Services	161	194	9,173,424	15,085,875	1,150,534	-778,197	39,179
MEXICO [2]							
All industries	2,253	4,701	257,929,524	289,934,644	203,604,893	19,072,528	4,129,658
Raw materials and energy production	67	113	5,513,139	6,218,174	6,640,551	1,344,996	416,518
Goods production	1,195	1,966	53,860,192	59,411,865	96,740,068	5,293,173	1,276,181
Distribution and transportation of goods	628	856	23,782,667	27,783,737	49,137,599	3,257,516	1,055,883
Information	86	248	4,008,226	2,745,816	5,522,301	438,959	121,310
Finance, insurance, real estate, and rental and leasing	172	395	117,984,623	134,284,597	28,469,765	4,807,183	906,410
Services	643	1,113	52,756,887	59,465,149	17,067,618	3,929,518	353,363

Footnotes at end of table.

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Number of U.S. corporation returns [1]	Controlled Foreign Corporations					
		Number of foreign corporations	Total assets		Total receipts	Current earnings and profits (less deficit) before income taxes	Income taxes
			Beginning of year	End of year			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
NETHERLANDS [2]							
All industries	1,365	3,123	698,260,287	756,366,608	305,677,784	36,778,601	6,362,476
Raw materials and energy production	36	67	5,569,532	8,484,326	2,126,693	590,002	233,273
Goods production	425	631	140,194,819	150,394,595	101,620,234	12,206,264	1,970,726
Distribution and transportation of goods	378	541	137,129,005	106,666,387	105,030,756	9,487,351	787,991
Information	84	151	59,524,291	31,887,447	11,222,974	1,283,453	223,643
Finance, insurance, real estate, and rental and leasing	159	345	87,108,115	116,284,860	10,816,033	1,752,337	293,284
Services	718	1,375	268,706,680	342,629,912	74,800,810	11,469,811	2,853,468
NEW ZEALAND [2]							
All industries	428	639	11,235,077	11,511,779	10,067,473	788,298	212,109
Raw materials and energy production	43	44	650,623	848,919	243,538	15,976	* 5,902
Goods production	116	129	2,226,202	2,543,438	2,798,788	246,017	76,046
Distribution and transportation of goods	146	177	2,563,726	2,297,075	4,323,945	197,957	46,085
Information	d	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	28	57	3,203,555	2,987,786	543,031	144,272	40,867
Services	130	203	2,349,001	2,551,909	1,864,022	131,504	32,377
NORWAY							
All industries	259	417	24,087,419	27,235,279	16,693,323	5,223,855	3,513,510
Raw materials and energy production	9	15	8,159,420	8,120,972	6,280,356	4,422,486	3,325,376
Goods production	63	76	3,043,842	3,244,333	2,539,125	163,712	46,939
Distribution and transportation of goods	104	126	2,825,214	2,745,569	3,317,018	342,758	64,429
Information	15	16	88,611	90,880	130,064	-868	* 1,681
Finance, insurance, real estate, and rental and leasing	15	25	1,317,913	1,360,949	184,126	20,235	* 3,638
Services	91	159	8,652,419	11,672,576	4,242,634	275,531	71,447
PANAMA (including Canal Zone) [2]							
All industries	165	274	11,499,994	10,744,720	6,003,866	1,304,859	127,022
Raw materials and energy production	14	25	2,193,561	1,473,529	1,078,044	147,651	40,535
Goods production	28	36	906,453	1,032,526	1,014,416	107,740	6,610
Distribution and transportation of goods	57	72	3,665,722	3,701,504	2,764,626	613,541	65,062
Information	d	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	26	43	1,813,920	1,895,780	395,540	146,628	4,969
Services	52	80	2,898,267	2,625,095	733,239	294,773	9,450
PHILIPPINES [2]							
All industries	283	512	15,287,201	16,472,137	13,970,420	1,688,779	296,775
Raw materials and energy production	12	35	3,337,403	2,828,977	1,220,977	461,977	95,284
Goods production	110	137	4,441,003	5,053,693	8,828,926	424,214	115,192
Distribution and transportation of goods	73	94	488,798	654,492	976,877	68,631	22,419
Information	d	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	37	79	5,032,714	5,546,290	1,032,963	172,917	37,876
Services	93	137	1,919,015	2,190,736	1,781,526	541,820	24,236
POLAND [2]							
All industries	456	742	31,992,017	40,552,563	25,370,692	2,103,248	456,758
Raw materials and energy production	d	d	d	d	d	d	d
Goods production	181	258	9,813,212	12,221,475	15,656,611	1,072,019	205,654
Distribution and transportation of goods	136	182	1,970,950	2,455,038	4,646,712	340,423	72,108
Information	27	38	317,920	115,606	331,587	-17,055	3,207
Finance, insurance, real estate, and rental and leasing	33	67	17,842,626	23,552,131	3,063,442	620,178	137,211
Services	128	185	1,864,955	2,175,488	1,585,384	81,332	37,313
PORUGAL (including Azores) [2]							
All industries	244	406	21,417,409	26,213,294	15,072,920	1,994,242	399,881
Raw materials and energy production	4	4	* 3,954	* 73,526	* 3,726	* -416	* -21
Goods production	78	103	4,089,554	5,163,894	6,310,816	268,349	106,590
Distribution and transportation of goods	92	119	2,139,463	3,176,986	3,218,274	163,919	57,244
Information	20	22	262,554	258,441	305,773	18,380	8,064
Finance, insurance, real estate, and rental and leasing	21	38	3,430,083	3,949,622	653,375	14,078	27,676
Services	73	117	11,491,786	13,614,287	4,579,359	1,529,896	200,315

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Number of U.S. corporation returns [1]	Controlled Foreign Corporations					
		Number of foreign corporations	Total assets		Total receipts	Current earnings and profits (less deficit) before income taxes	Income taxes
			Beginning of year	End of year			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
PUERTO RICO							
All industries	301	401	23,807,087	26,731,941	26,729,345	2,148,215	278,746
Raw materials and energy production	d	d	d	d	d	d	d
Goods production	84	100	6,624,129	8,329,748	5,910,187	1,649,155	35,561
Distribution and transportation of goods	95	103	2,690,693	2,748,700	6,809,769	214,777	94,333
Information	d	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	40	65	6,079,884	6,920,136	3,151,658	94,366	62,792
Services	80	98	5,143,497	5,392,109	8,384,756	-45,007	24,498
ROMANIA							
All industries	149	218	3,723,976	4,870,540	4,117,303	303,759	65,140
Raw materials and energy production	3	3	* 29,561	* 61,561	* 27,447	* 8,819	* 1,387
Goods production	54	68	1,251,192	1,888,836	2,413,067	120,821	30,786
Distribution and transportation of goods	39	45	432,148	408,078	943,719	80,911	16,089
Information	15	36	960,233	721,089	347,087	19,288	7,039
Finance, insurance, real estate, and rental and leasing	11	16	961,727	1,656,826	188,974	49,586	6,495
Services	44	50	89,115	134,149	197,009	24,335	3,345
RUSSIA [2]							
All industries	281	506	7,530,413	9,771,847	14,970,113	1,495,127	512,279
Raw materials and energy production	d	d	d	d	d	d	d
Goods production	88	135	2,552,167	3,299,996	4,369,093	133,655	101,091
Distribution and transportation of goods	81	116	1,827,918	2,775,448	6,895,198	740,097	216,566
Information	21	83	1,053,009	1,432,903	1,536,414	423,276	105,380
Finance, insurance, real estate, and rental and leasing	16	29	668,751	1,126,463	365,999	41,584	19,168
Services	92	121	789,683	1,076,729	1,530,285	138,196	58,725
SINGAPORE [2]							
All industries	1,068	1,681	131,723,635	122,562,803	122,636,010	9,522,356	705,707
Raw materials and energy production	15	18	289,822	477,124	544,480	59,022	14,960
Goods production	281	361	19,211,544	21,487,435	30,578,937	3,180,649	212,972
Distribution and transportation of goods	326	415	15,712,992	19,739,845	66,639,076	1,786,563	171,916
Information	79	104	625,025	843,083	1,094,863	60,027	13,001
Finance, insurance, real estate, and rental and leasing	74	133	64,015,576	39,926,183	4,807,495	1,116,331	131,318
Services	450	648	31,868,676	40,045,315	18,971,159	3,320,409	161,540
SLOVAKIA							
All industries	133	187	3,125,511	4,375,561	2,980,161	177,337	34,870
Raw materials and energy production	d	d	d	d	d	d	d
Goods production	49	61	1,041,278	1,240,199	1,792,264	54,452	13,125
Distribution and transportation of goods	38	42	405,711	538,384	533,127	55,049	6,432
Information	d	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	12	19	1,442,178	2,270,950	275,099	51,618	10,222
Services	33	51	199,132	289,404	336,679	12,443	4,897
SOUTH AFRICA							
All industries	376	643	12,974,807	14,241,443	21,145,251	2,030,811	533,215
Raw materials and energy production	8	9	* 176,298	* 251,044	* 134,648	* 60,559	* 210
Goods production	150	197	6,688,717	7,168,166	15,315,046	1,054,694	317,000
Distribution and transportation of goods	112	138	1,178,984	1,300,310	2,457,272	164,207	57,724
Information	27	39	80,466	141,129	172,631	27,805	10,878
Finance, insurance, real estate, and rental and leasing	35	66	2,995,859	3,234,747	1,083,122	436,733	88,857
Services	111	194	1,854,482	2,146,047	1,982,532	286,814	58,546
SOUTH KOREA [2]							
All industries	579	814	123,047,880	133,887,527	79,929,828	8,016,576	1,625,952
Raw materials and energy production	d	d	d	d	d	d	d
Goods production	211	269	30,015,559	37,944,354	50,267,812	3,958,823	837,109
Distribution and transportation of goods	187	206	4,973,560	5,787,555	10,700,429	772,267	238,333
Information	31	41	2,550,052	2,821,270	2,028,765	197,317	76,668
Finance, insurance, real estate, and rental and leasing	36	80	81,558,333	82,544,545	11,105,879	2,779,869	360,672
Services	173	212	2,709,531	3,436,365	4,916,783	254,147	103,068

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Number of U.S. corporation returns [1]	Controlled Foreign Corporations					
		Number of foreign corporations	Total assets		Total receipts	Current earnings and profits (less deficit) before income taxes	Income taxes
			Beginning of year	End of year			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
SPAIN (including Canary Isles) [2]							
All industries	842	1,599	125,593,457	159,226,761	147,329,312	10,877,675	2,482,571
Raw materials and energy production	14	24	831,146	1,105,175	222,278	26,759	2,657
Goods production	263	446	40,497,167	50,501,494	58,517,793	3,955,375	703,860
Distribution and transportation of goods	303	405	27,294,715	30,824,401	60,691,951	3,617,980	837,375
Information	76	120	1,611,822	1,866,458	1,984,585	215,723	61,527
Finance, insurance, real estate, and rental and leasing	55	131	22,218,835	32,852,086	4,461,131	982,441	251,074
Services	279	468	33,135,367	42,075,211	21,450,204	2,079,733	626,040
SWEDEN [2]							
All industries	588	1,061	70,956,850	88,946,389	49,553,736	4,569,835	558,087
Raw materials and energy production	5	5	* 16,788	* 17,855	* 24,512	* 31	* 84
Goods production	191	265	21,326,113	24,894,022	29,592,124	755,253	331,425
Distribution and transportation of goods	193	233	2,859,655	3,564,839	7,438,555	374,017	59,765
Information	42	69	595,494	776,513	699,024	35,833	15,311
Finance, insurance, real estate, and rental and leasing	41	74	19,524,663	25,467,351	2,292,600	768,619	64,574
Services	228	410	26,625,360	34,215,997	9,490,198	2,634,499	86,517
SWITZERLAND [2]							
All industries	770	1,410	312,118,290	336,084,352	247,790,701	32,592,690	2,278,570
Raw materials and energy production	6	7	* 460,464	* 943,850	* 972,427	* 347,629	* 14,285
Goods production	221	307	108,609,878	101,102,920	106,589,843	15,215,563	1,042,883
Distribution and transportation of goods	296	429	38,688,618	48,492,756	89,524,469	5,832,441	481,382
Information	50	85	3,262,743	4,642,158	3,741,593	1,301,527	56,779
Finance, insurance, real estate, and rental and leasing	75	126	65,678,112	61,160,093	10,004,272	983,989	132,856
Services	302	452	95,415,993	119,731,911	36,947,753	8,915,993	549,595
TAIWAN [2]							
All industries	406	564	64,278,381	76,829,374	37,246,615	2,825,450	586,851
Raw materials and energy production	d	d	d	d	d	d	d
Goods production	174	211	10,100,851	10,841,597	15,836,411	1,464,670	317,444
Distribution and transportation of goods	114	129	2,077,373	2,239,480	4,935,759	159,352	60,994
Information	14	17	71,339	67,793	116,686	-696	1,391
Finance, insurance, real estate, and rental and leasing	28	59	49,506,008	60,954,587	12,743,638	891,916	124,790
Services	113	145	2,516,631	2,717,787	3,612,529	310,007	82,227
THAILAND							
All industries	427	710	20,544,544	24,236,140	32,292,708	2,161,851	456,251
Raw materials and energy production	10	17	1,036,232	1,006,900	824,719	321,090	* 104,095
Goods production	187	249	8,970,440	11,117,447	23,491,852	1,268,708	171,524
Distribution and transportation of goods	137	164	2,023,927	2,416,905	5,135,670	193,168	72,656
Information	10	15	47,052	49,512	58,624	-1,064	* 2,240
Finance, insurance, real estate, and rental and leasing	34	95	7,158,938	8,047,464	1,331,269	174,347	61,479
Services	115	171	1,307,957	1,597,912	1,450,573	205,602	44,257
TURKEY [2]							
All industries	221	317	9,513,596	15,622,095	22,366,774	1,386,540	334,357
Raw materials and energy production	d	d	d	d	d	d	d
Goods production	60	74	3,454,466	5,867,862	14,284,721	1,095,669	262,596
Distribution and transportation of goods	72	87	1,152,653	1,300,477	5,820,017	128,186	32,747
Information	9	11	* 66,187	18,747	37,207	-1,795	* 115
Finance, insurance, real estate, and rental and leasing	33	38	2,707,082	5,833,905	1,268,751	70,599	* 22,345
Services	59	100	2,121,812	2,588,265	936,023	91,258	16,103
UNITED KINGDOM AND NORTHERN IRELAND (including Gibraltar) [2]							
All industries	3,929	8,688	2,709,752,480	3,420,194,083	644,481,488	47,746,771	11,657,709
Raw materials and energy production	52	112	22,082,359	27,225,065	20,382,550	4,455,728	1,374,589
Goods production	1,122	1,807	145,562,190	156,700,752	185,655,379	2,465,846	1,530,837
Distribution and transportation of goods	844	1,278	72,764,841	79,095,831	131,683,377	4,153,770	1,159,043
Information	307	702	93,074,458	99,253,608	29,351,667	-127,613	417,421
Finance, insurance, real estate, and rental and leasing	874	1,739	1,987,758,458	2,570,465,481	165,641,718	26,146,418	4,838,193
Services	1,553	3,019	388,378,462	487,283,216	111,754,888	10,675,401	2,337,530

Footnotes at end of table.

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Number of U.S. corporation returns [1]	Controlled Foreign Corporations					
		Number of foreign corporations	Total assets		Total receipts	Current earnings and profits (less deficit) before income taxes	Income taxes
			Beginning of year	End of year			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
VENEZUELA [2]							
All industries	301	462	15,537,182	18,441,422	15,679,177	2,832,042	896,019
Raw materials and energy production	33	49	3,570,594	4,215,312	1,390,237	316,564	70,365
Goods production	110	134	7,381,214	9,321,407	10,158,660	1,911,605	681,091
Distribution and transportation of goods	81	106	1,163,630	1,718,304	2,041,878	324,112	85,575
Information	d	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	25	37	1,645,438	2,134,432	906,597	202,493	31,342
Services	78	107	1,621,537	885,743	1,047,885	57,977	21,191
EUROPEAN UNION, TOTAL[2]							
All industries	5,769	31,306	5,342,396,764	6,502,796,706	2,156,381,207	196,063,572	36,765,137
Raw materials and energy production	140	392	34,776,090	42,605,999	26,755,531	5,441,786	1,710,116
Goods production	2,040	7,762	750,941,066	811,711,041	807,864,534	51,702,610	9,870,262
Distribution and transportation of goods	1,525	6,287	454,628,524	465,446,993	593,790,246	35,335,974	6,353,028
Information	439	1,941	178,662,522	165,529,299	64,185,739	3,808,971	1,030,080
Finance, insurance, real estate, and rental and leasing	1,178	3,980	2,751,847,353	3,535,636,158	251,045,847	42,446,744	7,539,894
Services	2,599	10,840	1,171,215,474	1,481,591,348	412,588,990	57,352,026	10,258,412
OPEC COUNTRIES, TOTAL [2]							
All industries	513	1,100	35,212,680	42,603,875	39,184,444	9,544,563	3,349,888
Raw materials and energy production	48	119	13,711,606	15,783,621	9,323,909	4,441,997	973,583
Goods production	187	302	10,728,732	14,583,267	16,440,098	2,489,593	940,232
Distribution and transportation of goods	154	247	2,701,466	3,690,218	8,531,240	659,483	134,597
Information	34	50	256,473	260,357	203,562	27,030	11,881
Finance, insurance, real estate, and rental and leasing	57	103	5,274,555	6,262,518	2,216,715	533,782	69,830
Services	159	275	2,538,809	1,998,747	2,412,492	1,394,865	1,219,765

Footnotes at end of table.

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Controlled Foreign Corporations					
	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		Distributions out of earnings and profits	Dividends paid to controlling U.S. corporation	
		Current earnings and profits before income taxes	Income taxes			
(8)	(9)	(10)	(11)	(12)	(13)	
ALL GEOGRAPHIC REGIONS [2]						
All industries	410,911,841	587,825,240	96,589,279	188,640,507	61,555,842	60,027,807
Raw materials and energy production	42,701,113	68,518,529	21,346,450	22,670,384	11,513,555	1,372,255
Goods production	117,066,073	164,109,560	25,213,725	51,327,637	16,648,381	9,621,299
Distribution and transportation of goods	54,867,210	76,923,844	13,927,759	24,506,433	8,101,761	8,629,504
Information	6,784,952	16,854,464	2,369,998	4,496,460	3,062,461	960,698
Finance, insurance, real estate, and rental and leasing	78,023,952	107,432,127	15,544,141	31,936,360	6,099,012	19,868,251
Services	111,507,514	153,940,881	18,180,508	53,687,478	16,119,829	19,575,698
ARGENTINA [2]						
All industries	1,615,454	2,463,632	585,134	637,803	131,234	99,322
Raw materials and energy production	382,980	500,110	89,565	* 74,924	* 14,202	12,282
Goods production	473,983	764,732	241,581	296,168	76,677	4,005
Distribution and transportation of goods	173,418	353,165	126,810	34,693	* 14,870	7,479
Information	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	299,834	428,520	63,948	64,231	16,086	62,905
Services	258,075	335,115	46,721	167,704	* 9,398	9,919
AUSTRALIA [2]						
All industries	11,552,539	16,984,045	2,920,761	8,376,946	3,226,269	855,852
Raw materials and energy production	1,308,017	2,210,924	451,111	* 1,093,650	* 943,293	* 13,562
Goods production	2,590,345	4,209,755	1,140,120	2,249,293	301,573	74,142
Distribution and transportation of goods	639,648	1,027,718	290,170	451,108	378,632	20,200
Information	10,746	434,090	59,949	135,603	* 26,651	19,341
Finance, insurance, real estate, and rental and leasing	3,735,574	4,673,110	460,109	1,709,808	356,336	415,284
Services	3,267,040	4,425,518	519,302	2,737,483	1,219,783	313,323
AUSTRIA						
All industries	2,341,823	3,045,236	529,180	1,197,012	131,946	753,302
Raw materials and energy production	* 5,953	* 5,006	* 1,300	0	0	* 172
Goods production	505,782	695,044	139,023	* 146,414	* 110,493	38,714
Distribution and transportation of goods	213,771	310,597	53,940	37,394	* 12,415	16,646
Information	12,418	29,360	4,394	* 7,605	* 97	* 3,397
Finance, insurance, real estate, and rental and leasing	58,101	74,547	6,143	* 4,671	* 999	* 3,677
Services	1,557,703	1,930,682	324,381	1,000,928	* 7,941	690,695
BAHAMAS						
All industries	6,453,951	9,543,271	2,235,140	5,712,604	1,667,676	1,846,022
Raw materials and energy production	2,391,056	4,863,194	1,778,483	* 2,396,073	* 1,356,098	60,897
Goods production	d	d	d	d	d	d
Distribution and transportation of goods	93,066	153,219	* 23,824	* 144,290	* 8,361	* 73,790
Information	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	1,046,769	1,160,624	* 38,537	1,695,604	* 1,039	367,721
Services	2,083,193	2,499,967	* 373,097	* 1,149,300	* 3,914	1,304,076
BELGIUM [2]						
All industries	1,889,633	3,676,806	698,361	1,249,706	507,523	354,935
Raw materials and energy production	d	d	d	d	d	d
Goods production	485,471	1,308,690	314,020	588,485	262,949	61,032
Distribution and transportation of goods	264,199	601,191	152,776	236,461	82,172	43,206
Information	196,408	275,080	7,745	* 13,927	* 4,102	* 3,375
Finance, insurance, real estate, and rental and leasing	378,199	545,431	70,444	194,319	* 8,829	167,733
Services	548,494	928,002	151,825	202,331	149,471	79,590

Footnotes at end of table.

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Controlled Foreign Corporations					
	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		Distributions out of earnings and profits	Dividends paid to controlling U.S. corporation	
		Current earnings and profits before income taxes	Income taxes			
	(8)	(9)	(10)	(11)	(12)	(13)
BERMUDA [2]						
All industries	42,742,711	51,162,753	5,975,999	11,129,171	1,683,634	9,490,958
Raw materials and energy production	5,345,193	9,726,643	4,020,817	* 1,074,172	* 1,002,979	137,798
Goods production	11,145,473	12,101,188	358,666	3,643,477	* 121,073	618,051
Distribution and transportation of goods	2,880,083	3,431,267	190,875	590,050	* 3,159	428,707
Information	* 83,679	* 95,504	* 11,174	0	0	* 23,474
Finance, insurance, real estate, and rental and leasing	4,296,858	5,000,541	263,375	1,557,826	* 29,734	3,281,398
Services	18,991,403	20,807,583	1,131,093	4,263,646	526,688	5,001,530
BRAZIL [2]						
All industries	8,567,055	12,350,824	2,142,259	4,375,340	1,599,919	450,908
Raw materials and energy production	2,480,323	2,999,728	503,486	1,177,358	* 9,160	148,595
Goods production	2,915,227	4,538,281	911,535	1,523,089	739,012	215,909
Distribution and transportation of goods	304,039	815,860	213,647	143,230	96,308	20,353
Information	6,596	107,709	26,868	* 6,741	* 1,224	* 6,219
Finance, insurance, real estate, and rental and leasing	2,017,035	2,474,736	332,515	1,139,615	713,595	27,716
Services	843,716	1,410,916	152,574	385,307	40,620	32,116
BRITISH VIRGIN ISLANDS [2]						
All industries	5,514,914	6,914,892	1,177,044	911,259	83,872	255,042
Raw materials and energy production	1,543,158	2,218,977	* 632,496	* 37,989	* 27,567	* 46,050
Goods production	2,108,468	2,120,924	* 8,166	* 79,580	* 15,839	* 149,758
Distribution and transportation of goods	22,738	42,740	* 9,916	* 38,100	* 11,550	* 11,260
Information	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	359,156	802,357	* 430,805	* 9,067	* 1,281	* 13,569
Services	1,482,773	1,725,305	95,042	740,055	* 21,166	33,122
CANADA [2]						
All industries	31,149,426	51,159,373	11,239,260	21,057,219	11,404,255	2,284,098
Raw materials and energy production	8,486,368	12,572,894	2,717,110	6,608,689	4,353,137	134,549
Goods production	6,504,705	13,144,078	3,561,994	3,785,718	1,810,625	588,455
Distribution and transportation of goods	3,751,831	6,969,969	2,041,490	2,460,462	1,546,118	197,582
Information	362,385	838,000	269,270	229,207	167,767	58,489
Finance, insurance, real estate, and rental and leasing	5,922,056	8,850,054	1,632,619	2,101,127	737,125	1,035,194
Services	6,123,007	8,784,058	1,016,632	5,872,017	2,789,483	269,829
CAYMAN ISLANDS [2]						
All industries	20,948,351	28,081,689	4,790,190	10,297,776	3,547,555	3,645,881
Raw materials and energy production	6,010,359	9,478,003	3,223,115	* 1,572,708	* 325,024	80,611
Goods production	3,453,842	3,899,953	220,020	* 1,598,007	* 1,301,109	378,810
Distribution and transportation of goods	677,461	848,002	104,728	* 102,659	* 39,510	82,255
Information	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	5,977,272	7,107,847	625,782	2,371,108	84,782	2,094,048
Services	4,836,674	6,737,883	613,939	4,653,294	1,797,131	1,010,157
CHILE [2]						
All industries	2,865,533	3,629,752	527,047	1,946,962	1,124,879	201,017
Raw materials and energy production	1,926,623	2,350,957	414,420	1,535,142	* 863,338	49,918
Goods production	305,409	393,360	22,804	220,298	161,721	* 16,050
Distribution and transportation of goods	150,566	227,310	31,664	19,948	* 9,227	13,397
Information	25,221	82,233	* 7,520	* 22,740	* 7,733	* 2,236
Finance, insurance, real estate, and rental and leasing	155,878	230,503	26,423	59,223	* 18,371	92,126
Services	301,889	345,122	24,216	89,610	64,490	27,290

Footnotes at end of table.

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Controlled Foreign Corporations					Total Subpart F income	
	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		Distributions out of earnings and profits	Dividends paid to controlling U.S. corporation		
		Current earnings and profits before income taxes	Income taxes				
	(8)	(9)	(10)	(11)	(12)	(13)	
CHINA [2]							
All industries	5,332,802	7,629,118	743,442	1,465,851	488,399	307,378	
Raw materials and energy production	67,856	78,428	* 1,538	* 589	* 477	* 77	
Goods production	3,458,360	4,787,201	423,744	990,203	254,456	112,739	
Distribution and transportation of goods	903,536	1,323,363	155,622	184,140	148,153	37,959	
Information	-45,207	18,548	4,028	0	0	* 11	
Finance, insurance, real estate, and rental and leasing	35,046	99,710	12,347	* 282	0	* 1,707	
Services	913,916	1,320,424	145,538	290,636	85,314	154,883	
COLOMBIA							
All industries	596,802	979,704	303,179	158,774	86,913	22,222	
Raw materials and energy production	6,029	* 8,863	* 186	* 929	* 929	0	
Goods production	360,509	558,634	162,931	91,088	63,031	* 17,545	
Distribution and transportation of goods	144,164	197,784	45,336	41,532	20,375	* 4,092	
Information	11,659	21,125	* 2,976	* 530	* 520	* 347	
Finance, insurance, real estate, and rental and leasing	86,211	168,433	79,578	* 9,918	* 1,850	* 134	
Services	-11,770	24,865	12,171	14,777	* 207	* 103	
COSTA RICA							
All industries	430,334	574,827	82,799	108,860	33,591	48,886	
Raw materials and energy production	15,271	32,221	* 4,488	0	0	* 1,021	
Goods production	258,800	329,798	41,394	32,259	* 23,801	41,659	
Distribution and transportation of goods	34,378	60,571	21,326	* 25,467	* 6,610	* 3,264	
Information	-77	* 7,349	* 1,439	0	0	* 2,420	
Finance, insurance, real estate, and rental and leasing	105,936	119,813	10,322	* 47,501	0	0	
Services	16,027	25,074	3,829	* 3,632	* 3,180	* 522	
CZECH REPUBLIC							
All industries	594,579	1,205,300	233,319	471,985	223,334	126,650	
Raw materials and energy production	d	d	d	d	d	d	
Goods production	188,561	604,333	94,146	360,548	* 199,315	96,451	
Distribution and transportation of goods	112,164	169,453	45,389	93,840	* 21,726	1,715	
Information	d	d	d	d	d	d	
Finance, insurance, real estate, and rental and leasing	221,875	307,829	72,261	* 2,984	* 1,527	* 14,285	
Services	64,612	104,837	18,615	* 6,217	* 765	* 4,131	
DENMARK							
All industries	1,068,023	1,848,564	254,789	733,016	105,409	209,601	
Raw materials and energy production	18,071	* 23,915	* 5,105	* 3,974	* 3,969	* 554	
Goods production	402,729	662,245	58,661	234,538	* 2,322	119,636	
Distribution and transportation of goods	152,294	246,711	57,717	76,794	* 38,725	19,326	
Information	-12,382	2,750	* 543	* 316	0	* 508	
Finance, insurance, real estate, and rental and leasing	181,418	236,093	50,147	* 2,646	0	48,919	
Services	325,892	676,850	82,616	414,748	* 60,393	20,658	
FINLAND							
All industries	303,688	567,676	102,384	388,975	16,257	32,006	
Raw materials and energy production	0	0	0	0	0	0	
Goods production	123,874	203,456	56,529	33,298	* 6,994	* 7,767	
Distribution and transportation of goods	86,044	119,733	23,690	304,429	* 2,263	15,355	
Information	-961	* 10,822	* 1,827	* 5,684	* 3,395	* 386	
Finance, insurance, real estate, and rental and leasing	17,274	29,583	5,401	* 13,818	* 1,865	* 3,715	
Services	77,456	204,082	14,937	31,747	* 1,740	4,782	
FRANCE (incl. Corsica, Guadeloupe, Martinique, and Reunion) [2]							
All industries	7,625,385	13,770,124	2,622,813	5,365,108	949,605	1,168,151	
Raw materials and energy production	86,307	104,401	9,539	* 68,148	* 63,701	* 288	
Goods production	2,605,495	4,813,441	774,972	2,619,101	494,462	318,613	
Distribution and transportation of goods	992,305	1,765,391	385,788	434,553	147,751	52,730	
Information	296,963	590,663	80,352	221,954	* 82,020	10,003	
Finance, insurance, real estate, and rental and leasing	2,142,103	3,074,595	580,388	796,423	* 6,726	635,555	
Services	1,505,947	3,420,024	791,032	1,224,296	154,311	150,961	

Footnotes at end of table.

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Controlled Foreign Corporations					
	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		Distributions out of earnings and profits	Dividends paid to controlling U.S. corporation	
		Current earnings and profits before income taxes	Income taxes			
(8)	(9)	(10)	(11)	(12)	(13)	
GERMANY [2]						
All industries	10,517,569	17,766,711	3,284,382	5,834,040	1,607,722	1,571,630
Raw materials and energy production	22,625	48,231	* 12,112	* 37,213	* 2,865	* 5,538
Goods production	4,011,160	6,717,785	1,565,362	2,312,396	411,474	361,952
Distribution and transportation of goods	1,179,780	2,672,632	606,144	1,436,720	629,600	249,332
Information	24,367	213,373	57,516	49,713	* 10,444	17,102
Finance, insurance, real estate, and rental and leasing	2,374,414	2,968,634	380,206	372,187	* 79,128	359,774
Services	2,901,411	5,138,531	662,042	1,625,474	474,212	577,932
GREECE						
All industries	281,809	553,983	174,307	220,705	92,065	* 8,928
Raw materials and energy production	d	d	d	d	d	d
Goods production	100,456	179,883	52,361	* 84,471	* 18,248	0
Distribution and transportation of goods	122,326	248,579	88,009	102,662	* 63,430	* 2,784
Information	1,979	10,020	7,556	* 50	0	0
Finance, insurance, real estate, and rental and leasing	d	d	d	d	d	d
Services	19,167	65,847	14,707	15,311	* 7,886	* 6,144
HONG KONG [2]						
All industries	8,700,804	10,354,815	1,146,019	3,224,105	610,673	1,380,906
Raw materials and energy production	* 545,723	* 659,998	* 113,862	* 468,838	0	* 297
Goods production	687,541	868,484	81,824	396,324	168,712	160,168
Distribution and transportation of goods	1,487,093	1,920,264	270,490	1,134,486	151,556	641,943
Information	-11,553	47,823	11,630	* 12,057	* 12,059	* 6,763
Finance, insurance, real estate, and rental and leasing	1,997,729	2,504,075	462,146	354,779	* 43,555	305,157
Services	3,994,412	4,353,997	206,012	857,621	234,790	266,579
HUNGARY [2]						
All industries	957,603	1,243,463	110,267	445,102	88,619	305,212
Raw materials and energy production	d	d	d	d	d	d
Goods production	701,214	809,109	36,929	322,291	* 48,503	255,168
Distribution and transportation of goods	64,848	123,592	18,315	60,147	* 24,566	* 10,969
Information	47,139	62,161	6,835	* 12,296	* 317	* 1,330
Finance, insurance, real estate, and rental and leasing	79,484	135,644	29,871	* 6,059	* 4,418	* 2,774
Services	72,084	108,859	17,196	44,309	* 10,815	* 34,970
INDIA [2]						
All industries	2,201,830	3,335,314	729,413	272,855	114,784	159,875
Raw materials and energy production	35,182	* 58,622	* 13,588	* 4,835	* 2,422	* 489
Goods production	944,572	1,352,274	293,021	177,839	86,589	20,745
Distribution and transportation of goods	51,706	243,105	91,234	21,068	* 5,006	2,652
Information	327,768	394,453	44,760	* 3,623	* 3,531	* 76,476
Finance, insurance, real estate, and rental and leasing	159,419	317,405	89,688	* 13,557	* 4,190	14,766
Services	683,799	969,133	197,000	51,933	13,045	44,748
INDONESIA [2]						
All industries	1,739,395	3,920,456	2,061,664	1,204,781	186,213	14,443
Raw materials and energy production	1,244,518	1,838,133	585,364	* 917,296	* 133,456	* 1,752
Goods production	210,131	512,111	240,111	185,541	* 14,045	7,450
Distribution and transportation of goods	60,343	105,880	26,567	* 25,484	* 3,195	* 65
Information	d	d	d	d	d	d
Finance, insurance, real estate, and rental and leasing	188,007	218,612	22,099	* 65,319	* 27,134	* 2,621
Services	34,366	1,233,054	1,181,902	* 11,141	* 8,383	* 751
IRELAND [2]						
All industries	31,692,405	37,551,579	1,803,293	7,729,109	1,486,584	5,090,290
Raw materials and energy production	* -4,324	* 273	* 43	0	0	0
Goods production	12,601,378	13,050,351	243,455	2,609,608	* 1,314,734	449,000
Distribution and transportation of goods	1,410,452	1,621,804	152,317	95,504	* 9,492	287,862
Information	1,665,441	1,785,253	48,521	* 29,625	* 7,504	* 88,093
Finance, insurance, real estate, and rental and leasing	2,946,067	6,778,599	349,014	4,420,534	* 42,382	3,347,005
Services	13,069,804	14,311,700	1,009,942	573,838	* 112,472	918,329

Footnotes at end of table.

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Controlled Foreign Corporations				
	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		Distributions out of earnings and profits	Dividends paid to controlling U.S. corporation
		Current earnings and profits before income taxes	Income taxes		
	(8)	(9)	(10)	(11)	(12)
ISREAL [2]					
All industries	1,050,891	1,992,782	228,695	86,630	26,671
Raw materials and energy production	* -3,563	0	0	0	0
Goods production	938,225	1,434,276	152,553	* 60,899	* 9,026
Distribution and transportation of goods	79,349	100,404	8,882	* 10,311	* 6,057
Information	-31,506	20,725	1,380	0	0
Finance, insurance, real estate, and rental and leasing	43,021	57,889	7,470	* 948	0
Services	26,555	379,487	58,411	14,473	* 11,587
ITALY[2]					
All industries	4,440,070	7,677,287	2,005,529	2,174,589	569,297
Raw materials and energy production	10,054	20,409	9,587	0	0
Goods production	2,554,246	4,149,358	1,069,913	1,660,278	492,750
Distribution and transportation of goods	614,264	1,195,936	399,996	225,048	40,225
Information	76,830	172,856	61,211	* 14,993	* 7,622
Finance, insurance, real estate, and rental and leasing	129,664	559,431	155,962	44,665	* 13,192
Services	1,054,151	1,577,272	308,071	226,761	15,509
JAPAN (including Okinawa and Ryukyu Islands) [2]					
All industries	10,262,226	17,898,078	5,547,251	5,485,590	1,615,720
Raw materials and energy production	d	d	d	d	d
Goods production	4,050,711	6,523,439	2,153,535	2,378,758	804,619
Distribution and transportation of goods	903,703	2,394,808	934,193	583,660	284,123
Information	375,192	777,402	276,430	* 175,577	* 122,856
Finance, insurance, real estate, and rental and leasing	4,098,673	6,317,940	1,394,138	2,019,527	229,292
Services	827,247	1,871,942	783,260	321,228	174,483
LUXEMBOURG [2]					
All industries	14,805,473	17,818,751	2,201,999	9,769,148	1,854,603
Raw materials and energy production	* 262,505	* 310,116	* 47,610	* 381,546	* 175,920
Goods production	1,400,160	1,731,972	267,570	1,252,679	* 413,609
Distribution and transportation of goods	8,401,556	9,712,479	1,307,613	* 4,729,109	* 81,772
Information	-231,352	8,602	* 11,952	0	0
Finance, insurance, real estate, and rental and leasing	1,567,778	1,849,885	104,506	471,181	* 97,551
Services	3,404,828	4,205,697	462,748	2,934,633	1,085,750
MALAYSIA [2]					
All industries	1,811,207	2,497,061	263,113	360,936	168,862
Raw materials and energy production	18,761	23,088	* 3,702	* 7,054	* 4,769
Goods production	814,683	964,574	81,287	209,099	102,929
Distribution and transportation of goods	164,706	253,936	69,732	95,630	* 35,084
Information	-1,705	3,958	199	0	0
Finance, insurance, real estate, and rental and leasing	146,704	503,545	76,457	* 9,130	* 3,301
Services	667,325	747,173	31,691	40,024	* 22,778
MAURITIUS [2]					
All industries	-125,541	1,178,039	154,556	977,435	659,521
Raw materials and energy production	d	d	d	d	d
Goods production	24,293	29,164	* 2,667	* 6,274	* 3,697
Distribution and transportation of goods	* 3,770	* 4,404	* 307	0	0
Information	* 3,386	* 6,014	* 2,308	0	0
Finance, insurance, real estate, and rental and leasing	428,540	447,111	* 441	* 520,140	* 227,786
Services	-817,376	349,369	38,730	139,021	* 116,039
MEXICO [2]					
All industries	14,942,871	20,876,637	4,047,120	5,457,542	2,009,679
Raw materials and energy production	928,479	1,414,348	414,171	* 398,092	* 89,784
Goods production	4,016,992	6,191,225	1,247,183	2,258,924	699,314
Distribution and transportation of goods	2,201,633	3,612,090	1,046,228	734,785	66,991
Information	317,650	500,066	116,384	* 9,666	* 8,735
Finance, insurance, real estate, and rental and leasing	3,900,772	5,022,699	878,181	372,084	172,447
Services	3,576,155	4,134,919	344,979	1,683,991	972,408

Footnotes at end of table.

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Controlled Foreign Corporations					Total Subpart F income	
	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		Distributions out of earnings and profits	Dividends paid to controlling U.S. corporation		
		Current earnings and profits before income taxes	Income taxes				
	(8)	(9)	(10)	(11)	(12)	(13)	
NETHERLANDS [2]							
All industries	30,416,124	41,989,586	6,181,833	13,787,867	5,901,488	4,303,990	
Raw materials and energy production	356,730	840,721	220,855	* 77,423	0	45,653	
Goods production	10,235,538	12,827,216	1,955,356	4,223,863	2,569,087	1,000,483	
Distribution and transportation of goods	8,699,361	9,735,458	785,549	651,936	147,465	506,979	
Information	1,059,810	1,497,863	220,121	* 125,125	* 55,731	* 17,155	
Finance, insurance, real estate, and rental and leasing	1,459,053	2,911,876	278,410	1,328,670	308,796	821,427	
Services	8,616,343	14,176,094	2,721,450	7,380,851	2,820,409	1,912,293	
NEW ZEALAND [2]							
All industries	576,189	937,213	212,617	312,307	121,077	79,235	
Raw materials and energy production	10,074	* 48,245	* 4,500	0	0	* 279	
Goods production	169,971	272,253	80,567	99,232	37,598	2,471	
Distribution and transportation of goods	151,872	239,492	44,488	37,414	* 20,007	13,639	
Information	d	d	d	d	d	d	
Finance, insurance, real estate, and rental and leasing	103,405	148,803	39,732	* 86,307	* 14,133	52,632	
Services	99,127	173,502	32,583	71,477	* 45,890	7,970	
NORWAY							
All industries	1,710,345	5,371,165	3,508,989	1,705,415	1,456,179	58,482	
Raw materials and energy production	1,097,111	4,423,744	3,325,376	* 1,455,604	* 1,399,039	* 2,706	
Goods production	116,773	205,372	46,441	* 22,685	* 2,586	7,465	
Distribution and transportation of goods	278,330	351,531	64,776	200,494	* 41,482	29,058	
Information	-2,549	4,702	* 1,136	0	0	* 1,086	
Finance, insurance, real estate, and rental and leasing	16,597	30,026	* 2,377	* 589	* 2	* 9,113	
Services	204,084	355,791	68,884	26,044	* 13,070	9,054	
PANAMA (including Canal Zone) [2]							
All industries	1,177,837	1,380,909	125,072	900,075	83,768	255,058	
Raw materials and energy production	107,116	170,973	39,117	* 73,521	0	* 15,540	
Goods production	101,130	115,639	6,495	* 10,085	* 4,242	* 24,802	
Distribution and transportation of goods	548,479	642,200	64,779	524,873	* 841	22,784	
Information	d	d	d	d	d	d	
Finance, insurance, real estate, and rental and leasing	141,659	149,426	4,928	* 125,580	* 54,264	23,889	
Services	285,323	302,163	9,361	166,015	* 24,421	167,474	
PHILIPPINES [2]							
All industries	1,392,004	1,844,842	297,709	1,537,912	159,826	294,040	
Raw materials and energy production	366,693	472,596	95,771	* 519,207	0	* 103,278	
Goods production	309,022	498,326	117,399	171,973	107,022	19,709	
Distribution and transportation of goods	46,212	85,316	20,391	20,285	* 8,540	* 755	
Information	d	d	d	d	d	d	
Finance, insurance, real estate, and rental and leasing	135,041	205,267	38,408	747,676	* 36,220	34,625	
Services	517,584	556,809	23,936	76,064	* 5,338	133,295	
POLAND [2]							
All industries	1,646,490	2,354,257	450,743	798,512	288,718	72,257	
Raw materials and energy production	d	d	d	d	d	d	
Goods production	866,365	1,192,012	205,064	357,590	91,361	38,588	
Distribution and transportation of goods	268,315	357,351	70,921	101,937	* 12,019	3,928	
Information	-20,262	12,809	1,668	* 3,530	0	* 3,463	
Finance, insurance, real estate, and rental and leasing	482,968	636,206	136,308	263,093	* 166,578	24,566	
Services	44,019	149,379	35,516	67,353	* 15,053	* 1,712	
PORUGAL (including Azores) [2]							
All industries	1,594,362	2,217,826	392,554	1,297,216	58,575	495,546	
Raw materials and energy production	* -395	* 430	* 120	0	0	0	
Goods production	161,759	390,014	104,890	194,900	* 14,259	* 5,202	
Distribution and transportation of goods	106,675	188,204	54,198	* 449,596	* 2,215	* 64,459	
Information	10,316	* 36,148	* 5,640	* 28,574	* 8,324	0	
Finance, insurance, real estate, and rental and leasing	-13,599	52,049	27,657	* 124,409	0	* 4,289	
Services	1,329,581	1,550,904	200,037	499,737	* 33,777	421,596	

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Controlled Foreign Corporations					Total Subpart F income	
	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		Distributions out of earnings and profits	Dividends paid to controlling U.S. corporation		
		Current earnings and profits before income taxes	Income taxes				
	(8)	(9)	(10)	(11)	(12)	(13)	
PUERTO RICO							
All industries	1,869,469	2,756,495	275,136	672,101	371,857	121,546	
Raw materials and energy production	d	d	d	d	d	d	
Goods production	1,613,595	1,693,229	35,076	120,146	* 88,722	* 78,980	
Distribution and transportation of goods	120,444	231,998	93,350	200,882	194,980	9,159	
Information	d	d	d	d	d	d	
Finance, insurance, real estate, and rental and leasing	31,575	233,586	60,791	* 53,941	* 9,928	* 8,192	
Services	-69,505	291,676	24,679	* 149,689	* 59,778	* 22,069	
ROMANIA							
All industries	238,619	395,333	66,594	154,228	62,826	8,594	
Raw materials and energy production	* 7,431	* 8,886	* 1,387	0	0	0	
Goods production	90,035	184,030	32,471	* 58,488	* 47,108	* 6,304	
Distribution and transportation of goods	64,822	100,452	16,073	* 76,794	* 12,009	* 1,634	
Information	12,249	23,454	6,995	* 2,440	* 1,762	0	
Finance, insurance, real estate, and rental and leasing	43,091	* 52,569	* 6,402	* 1,487	* 569	* 427	
Services	20,991	25,942	3,265	* 15,020	* 1,378	* 229	
RUSSIA [2]							
All industries	982,849	1,871,142	499,781	653,841	146,344	* 9,895	
Raw materials and energy production	d	d	d	d	d	d	
Goods production	32,564	318,621	96,420	* 25,483	* 13,954	* 661	
Distribution and transportation of goods	523,531	795,333	209,450	439,400	* 7,958	* [3]	
Information	317,896	466,591	105,477	54,749	11,292	* 7,496	
Finance, insurance, real estate, and rental and leasing	22,416	86,438	18,942	* 542	0	* 1,696	
Services	79,471	168,380	59,326	* 20,529	0	* 42	
SINGAPORE [2]							
All industries	8,816,649	10,338,399	678,858	3,239,339	1,167,118	849,515	
Raw materials and energy production	44,062	60,347	14,882	* 453	0	* 4,440	
Goods production	2,967,677	3,399,157	211,411	1,155,113	108,305	331,679	
Distribution and transportation of goods	1,614,647	1,881,198	168,722	195,320	112,273	270,129	
Information	47,026	120,872	5,652	* 25,062	* 14,327	* 7,114	
Finance, insurance, real estate, and rental and leasing	985,013	1,149,280	130,789	1,041,238	848,277	53,159	
Services	3,158,869	3,727,545	147,402	822,154	83,936	182,993	
SLOVAKIA							
All industries	142,467	228,591	34,207	39,745	* 17,597	* 6,403	
Raw materials and energy production	d	d	d	d	d	d	
Goods production	41,327	88,337	13,095	* 18,772	* 12,236	* 274	
Distribution and transportation of goods	48,617	58,444	6,402	* 8,354	* 4,599	* 304	
Information	d	d	d	d	d	d	
Finance, insurance, real estate, and rental and leasing	41,396	55,994	10,277	* 2,326	* 762	* 5,641	
Services	7,545	22,025	4,239	* 10,294	0	0	
SOUTH AFRICA							
All industries	1,497,597	2,173,993	534,204	797,660	306,343	132,926	
Raw materials and energy production	* 60,349	* 63,489	* 210	0	0	* 8	
Goods production	737,694	1,120,900	316,093	399,146	249,648	100,021	
Distribution and transportation of goods	106,483	198,053	56,951	37,836	* 20,013	4,697	
Information	16,927	32,410	10,828	* 7,571	* 1,582	0	
Finance, insurance, real estate, and rental and leasing	347,876	442,881	87,737	221,205	* 5,661	* 8,896	
Services	228,268	316,259	62,386	131,903	29,439	19,305	
SOUTH KOREA [2]							
All industries	6,390,624	8,470,298	1,617,035	1,887,908	977,938	626,465	
Raw materials and energy production	d	d	d	d	d	d	
Goods production	3,121,714	4,123,667	841,334	1,217,052	556,069	176,002	
Distribution and transportation of goods	533,933	883,520	231,568	336,233	277,413	49,187	
Information	120,649	209,892	77,475	* 24,718	* 23,390	* 9,980	
Finance, insurance, real estate, and rental and leasing	2,419,198	2,879,254	359,700	236,501	* 89,107	346,072	
Services	151,079	319,812	96,856	70,993	31,958	44,490	

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Controlled Foreign Corporations					Total Subpart F income	
	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		Distributions out of earnings and profits	Dividends paid to controlling U.S. corporation		
		Current earnings and profits before income taxes	Income taxes				
(8)	(9)	(10)		(11)	(12)	(13)	
SPAIN (including Canary Isles) [2]							
All industries	8,395,103	12,267,631	2,432,325	4,564,238	3,219,268	521,740	
Raw materials and energy production	24,102	32,289	2,344	* 12,357	0	0	
Goods production	3,251,515	4,782,301	667,404	991,066	248,842	95,220	
Distribution and transportation of goods	2,780,605	3,727,243	839,656	2,565,934	2,350,545	287,115	
Information	154,196	321,721	59,956	* 234,426	* 82,505	* 1,295	
Finance, insurance, real estate, and rental and leasing	731,367	1,012,645	249,441	113,122	* 5,481	79,345	
Services	1,453,693	2,391,413	613,516	647,333	531,895	58,766	
SWEDEN [2]							
All industries	4,011,747	5,517,235	521,789	3,660,956	146,830	163,250	
Raw materials and energy production	* -53	* 563	* 84	0	0	0	
Goods production	423,828	998,612	318,831	1,493,317	62,616	22,337	
Distribution and transportation of goods	314,252	393,923	59,997	68,760	* 22,125	16,568	
Information	20,522	65,806	17,003	* 6,733	* 495	* 14,108	
Finance, insurance, real estate, and rental and leasing	704,045	782,143	63,689	48,137	* 10,805	20,272	
Services	2,547,981	3,272,628	61,815	2,044,009	* 50,790	89,948	
SWITZERLAND [2]							
All industries	30,314,121	33,978,467	2,247,321	8,428,623	834,622	3,998,804	
Raw materials and energy production	* 333,344	* 352,781	* 13,704	* 251,145	0	* 64,717	
Goods production	14,172,680	15,767,116	1,038,212	3,276,866	72,428	1,522,689	
Distribution and transportation of goods	5,351,059	6,170,657	476,875	1,470,722	146,606	1,036,878	
Information	1,244,748	1,360,180	56,786	203,481	* 19,260	45,485	
Finance, insurance, real estate, and rental and leasing	851,133	1,105,427	132,665	380,737	* 6,461	353,199	
Services	8,366,398	9,222,305	529,079	2,845,672	589,866	975,837	
TAIWAN [2]							
All industries	2,238,599	3,217,556	567,442	453,657	209,293	67,123	
Raw materials and energy production	d	d	d	d	d	d	
Goods production	1,147,225	1,630,202	302,114	217,034	125,206	53,367	
Distribution and transportation of goods	98,357	214,545	61,988	71,676	40,897	* 3,570	
Information	-2,086	* 4,257	* 1,251	* 2,302	* 2,298	* 208	
Finance, insurance, real estate, and rental and leasing	767,126	1,009,959	118,305	79,320	* 28,533	* 1,985	
Services	227,780	357,695	83,778	83,326	* 12,358	* 7,994	
THAILAND							
All industries	1,705,600	2,372,653	451,221	457,171	232,943	151,271	
Raw materials and energy production	216,994	323,430	* 104,128	* 162,623	* 86,539	* 722	
Goods production	1,097,184	1,346,510	172,481	221,551	100,919	133,354	
Distribution and transportation of goods	120,512	250,301	70,084	28,215	21,607	1,633	
Information	-3,304	* 8,162	* 2,240	* 886	* 886	* 921	
Finance, insurance, real estate, and rental and leasing	112,868	226,769	58,931	* 11,345	* 2,571	13,443	
Services	161,345	217,482	43,357	32,551	* 20,422	* 1,199	
TURKEY [2]							
All industries	1,052,183	1,571,250	320,685	661,663	255,678	95,265	
Raw materials and energy production	d	d	d	d	d	d	
Goods production	833,074	1,188,218	250,667	462,221	* 136,222	* 52,354	
Distribution and transportation of goods	95,439	170,272	31,885	* 68,457	* 900	* 5,854	
Information	-1,911	* 1,544	* 279	* 5,877	* 4,823	* 85	
Finance, insurance, real estate, and rental and leasing	48,254	81,438	* 21,250	* 112,529	* 112,380	* 565	
Services	75,155	126,995	16,126	12,579	* 1,352	* 36,406	
UNITED KINGDOM AND NORTHERN IRELAND (including Gibraltar) [2]							
All industries	36,089,062	67,497,821	11,139,075	16,902,576	3,509,869	8,243,708	
Raw materials and energy production	3,081,139	4,701,592	1,374,969	1,254,926	* 1,018	325,724	
Goods production	935,009	7,177,503	1,303,867	2,035,540	557,609	873,795	
Distribution and transportation of goods	2,994,727	4,901,173	1,164,111	1,526,274	446,043	311,773	
Information	-545,033	4,821,467	417,219	364,115	99,731	357,309	
Finance, insurance, real estate, and rental and leasing	21,308,225	28,553,407	4,777,180	5,638,043	965,592	3,089,818	
Services	8,337,870	17,339,582	2,101,635	6,082,028	1,439,876	3,285,288	

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 3. U.S. Corporations and Their Controlled Foreign Corporations: Number, Assets, Receipts, Earnings, Taxes, Distributions, and Subpart F Income, by Selected Country of Incorporation and Industrial Sector of Controlled Foreign Corporation, Tax Year 2006—Continued

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

Selected country of incorporation and industrial sector of Controlled Foreign Corporation	Controlled Foreign Corporations					Total Subpart F income	
	Current earnings and profits (less deficit) after income taxes	Foreign corporations with current earnings and profits (+) before income taxes		Distributions out of earnings and profits	Dividends paid to controlling U.S. corporation		
		Current earnings and profits before income taxes	Income taxes				
	(8)	(9)	(10)	(11)	(12)	(13)	
VENEZUELA [2]							
All industries	1,936,023	2,958,459	890,272	1,188,468	233,301	67,585	
Raw materials and energy production	246,199	364,330	70,023	* 163,644	* 965	31,412	
Goods production	1,230,514	1,948,183	677,772	973,122	189,320	7,129	
Distribution and transportation of goods	238,537	328,121	85,059	* 29,533	* 21,735	* 2,757	
Information	d	d	d	d	d	0	
Finance, insurance, real estate, and rental and leasing	171,151	203,979	31,244	* 1,107	* 800	* 12,140	
Services	36,787	88,737	19,771	* 21,062	* 20,480	* 8,116	
EUROPEAN UNION, TOTAL[2]							
All industries	159,298,435	239,703,520	35,306,914	76,903,675	20,881,914	27,668,974	
Raw materials and energy production	3,731,670	6,128,383	1,689,483	1,855,263	* 251,180	380,603	
Goods production	41,832,348	62,747,800	9,301,572	21,633,712	7,391,418	4,023,044	
Distribution and transportation of goods	28,982,947	38,369,514	6,306,088	13,346,143	4,171,559	4,193,623	
Information	2,778,890	9,965,390	1,020,542	1,132,142	364,589	547,924	
Finance, insurance, real estate, and rental and leasing	34,906,850	50,689,126	7,368,031	13,869,096	1,718,535	9,562,368	
Services	47,093,614	71,780,873	9,617,883	25,061,856	6,983,999	8,961,395	
OPEC COUNTRIES, TOTAL [2]							
All industries	6,194,675	9,909,395	3,333,194	2,763,161	554,691	162,115	
Raw materials and energy production	3,468,414	4,559,330	971,894	1,180,698	214,023	43,232	
Goods production	1,549,361	2,597,010	933,760	1,220,977	211,421	20,717	
Distribution and transportation of goods	524,886	705,533	131,461	183,788	36,459	59,051	
Information	15,150	37,939	12,023	0	0	* 7,836	
Finance, insurance, real estate, and rental and leasing	463,951	549,019	69,797	83,836	* 42,410	16,575	
Services	175,100	1,460,564	1,214,258	93,862	50,378	14,705	

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

* Data should be used with caution because of the small number of returns on which they are based.

[1] Number of returns is not additive because some U.S. corporations had Controlled Foreign Corporations in more than one industrial sector. The industrial activity of the parent corporation filing the return often differs from that of the Controlled Foreign Corporations.

[2] Includes "Nature of business not allocable," not shown separately.

[3] Value is less than \$500.

NOTE: Detail may not add to totals because of rounding and because data are shown for selected countries only.

Controlled Foreign Corporations, 2006

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Table 4. Controlled Foreign Corporations and Their Foreign Disregarded Entities: Number, End-of-Year Total Assets, and Current Earnings and Profits (Less Deficit) After Income Taxes, by Selected Country of Incorporation, Tax Year 2006

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

Selected country of incorporation of Controlled Foreign Corporation and Foreign Disregarded Entity	Number of foreign entities	End-of-year total assets	Current earnings and profits (less deficit) after taxes
			(1) (2) (3)
Austria: CFCs	541	25,466,744	2,341,823
All FDEs	182	14,890,561	1,356,440
Austria	16	757,464	33,339
Other countries	166	14,133,098	1,323,101
Bahamas: CFCs	385	85,501,925	6,453,951
All FDEs	121	13,754,088	2,543,459
Bahamas	55	7,293,589	2,261,700
Other countries	66	6,460,498	281,759
Barbados: CFCs	194	11,513,230	960,005
All FDEs	63	4,271,457	424,206
Barbados	4	672,363	118,594
Other countries	59	3,599,094	305,612
Belgium: CFCs	1,189	76,790,311	1,889,633
All FDEs	42	6,444,064	315,711
Belgium	21	4,176,485	106,977
Other countries	21	2,267,579	208,734
Bermuda: CFCs	978	729,332,704	42,742,711
All FDEs	1,182	455,705,635	25,110,192
Bermuda	145	64,871,067	10,789,272
Other countries	1,037	390,834,569	14,320,920
British Virgin Islands: CFCs	424	45,401,183	5,514,914
All FDEs	210	18,961,146	1,196,677
British Virgin Islands	46	2,367,172	19,390
Other countries	164	16,593,974	1,177,287
Canada: CFCs	6,935	948,892,794	31,149,426
All FDEs	386	169,262,758	5,386,264
Canada	190	128,284,150	4,892,266
Other countries	196	40,978,608	493,999
Cayman Islands: CFCs	1,581	646,609,465	20,948,351
All FDEs	1,081	195,195,842	7,106,979
Cayman Islands	221	80,236,948	2,216,272
Other countries	860	114,958,894	4,890,707
China: CFCs	3,426	65,480,943	5,332,802
All FDEs	54	7,010,271	1,527,249
China	32	5,584,810	1,195,815
Other countries	22	1,425,461	331,435
Cyprus: CFCs	88	3,807,464	23,888
All FDEs	80	1,914,040	80,859
Cyprus	0	0	0
Other countries	80	1,914,040	80,859
Denmark: CFCs	675	34,207,215	1,068,023
All FDEs	77	5,176,087	154,678
Denmark	29	1,703,979	91,074
Other countries	48	3,472,108	63,604
France (including Corsica, Guadeloupe, Martinique, and Reunion): CFCs	3,381	263,801,593	7,625,385
All FDEs	430	54,841,883	886,251
France (including Corsica, Guadeloupe, Martinique, and Reunion)	360	47,597,963	687,784
Other countries	70	7,243,920	198,467

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 4. Controlled Foreign Corporations and Their Foreign Disregarded Entities: Number, End-of-Year Total Assets, and Current Earnings and Profits (Less Deficit) After Income Taxes, by Selected Country of Incorporation, Tax Year 2006—Continued

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

Selected country of incorporation of Controlled Foreign Corporation and Foreign Disregarded Entity	Number of foreign entities	End-of-year total assets	Current earnings and profits (less deficit) after taxes
			(1)
Hong Kong: CFCs	1,978	119,123,338	8,700,804
All FDEs	233	33,174,653	1,383,162
Hong Kong	71	5,024,139	304,982
Other countries	162	28,150,514	1,078,180
Ireland: CFCs	1,140	513,394,734	31,692,405
All FDEs	790	132,289,854	11,307,630
Ireland	227	90,129,108	9,577,965
Other countries	563	42,160,746	1,729,665
Israel: CFCs	803	29,063,753	1,050,891
All FDEs	27	3,604,381	30,768
Israel	11	136,057	-72,501
Other countries	16	3,468,324	103,269
Italy: CFCs	1,699	93,511,546	4,440,070
All FDEs	75	16,240,631	761,855
Italy	49	9,832,344	395,650
Other countries	26	6,408,287	366,204
Jersey: CFCs	97	43,477,664	1,302,867
All FDEs	47	3,840,113	-25,430
Jersey	7	222,358	-13,079
Other countries	40	3,617,755	-12,352
Luxembourg: CFCs	515	551,577,959	14,805,473
All FDEs	1,057	311,104,080	4,137,994
Luxembourg	131	66,737,580	246,770
Other countries	926	244,366,500	3,891,223
Mauritius: CFCs	286	17,715,305	-125,541
All FDEs	54	4,793,662	541,728
Mauritius	12	1,312,246	452,542
Other countries	42	3,481,415	89,187
Netherlands: CFCs	3,123	756,366,608	30,416,124
All FDEs	2,733	586,627,699	14,457,882
Netherlands	646	162,105,109	2,149,613
Other countries	2,086	424,522,590	12,308,269
Singapore: CFCs	1,681	122,562,803	8,816,649
All FDEs	168	28,960,049	3,481,727
Singapore	31	6,771,247	2,762,073
Other countries	137	22,188,802	719,654
Spain (including Canary Isles): CFCs	1,599	159,226,761	8,395,103
All FDEs	279	36,431,790	1,695,107
Spain (including Canary Isles)	44	8,515,821	329,664
Other countries	235	27,915,969	1,365,443
Sweden: CFCs	1,061	88,946,389	4,011,747
All FDEs	198	6,474,936	275,786
Sweden	144	4,057,905	111,368
Other countries	54	2,417,031	164,418
Switzerland: CFCs	1,410	336,084,352	30,314,121
All FDEs	802	118,617,715	7,432,494
Switzerland	110	39,758,042	2,701,738
Other countries	692	78,859,673	4,730,756
United Kingdom and Northern Ireland (including Gibraltar): CFCs	8,688	3,420,194,083	36,089,062
All FDEs	1,740	1,110,689,486	7,497,069
United Kingdom and Northern Ireland (including Gibraltar)	1,168	966,359,499	5,201,203
Other countries	572	144,329,988	2,295,867

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

Controlled Foreign Corporations, 2006

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Table 5. Controlled Foreign Corporations and Their Foreign Disregarded Entities: Number, End-of-Year Total Assets, and Current Earnings and Profits (Less Deficit) After Income Taxes, by Selected Industrial Sector, Tax Year 2006

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

Selected industrial sector of Controlled Foreign Corporation and Foreign Disregarded Entity	Number of Foreign Entities	End-of-year total assets	Current earnings and profits (less deficit) after taxes
	(1)	(2)	(3)
All industries: CFCs	78,249	11,666,004,281	410,911,841
All industries: FDEs	13,755	3,574,647,024	107,192,531
Raw materials and energy production	658	137,747,618	12,942,084
Goods production	2,933	588,143,685	31,500,841
Distribution and transportation of goods	2,466	192,258,008	13,516,884
Information	794	296,280,812	12,837,212
Finance, insurance, real estate, and rental and leasing	2,214	1,268,219,785	10,285,337
Services	4,525	1,078,116,218	26,010,065
Nature of business not allocable	166	13,880,898	100,108
Raw materials and energy production: CFCs	2,502	406,666,989	42,701,113
All industries: FDEs	610	143,065,087	13,628,758
Raw materials and energy production	467	115,997,886	11,012,566
Goods production	18	4,999,493	2,129,837
Distribution and transportation of goods	d	d	d
Information	0	0	0
Finance, insurance, real estate, and rental and leasing	35	6,160,552	180,222
Services	62	14,597,695	282,346
Nature of business not allocable	d	d	d
Goods production: CFCs	19,917	1,707,725,994	117,066,073
All industries: FDEs	3,170	547,878,996	27,302,963
Raw materials and energy production	16	1,720,224	81,109
Goods production	1,394	189,845,546	16,105,243
Distribution and transportation of goods	645	49,241,028	4,825,472
Information	29	2,295,173	-175,943
Finance, insurance, real estate, and rental and leasing	208	72,778,145	1,544,854
Services	827	228,095,708	4,924,920
Nature of business not allocable	52	3,903,173	-2,692
Distribution and transportation of goods: CFCs	16,191	843,280,710	54,867,210
All industries: FDEs	1,933	389,838,813	17,536,820
Raw materials and energy production	22	2,928,767	138,027
Goods production	391	128,974,571	6,371,808
Distribution and transportation of goods	923	81,925,588	4,555,330
Information	20	464,844	65,596
Finance, insurance, real estate, and rental and leasing	150	74,151,924	2,545,642
Services	389	101,349,410	3,859,351
Nature of business not allocable	37	43,708	1,065
Information: CFCs	4,551	229,525,818	6,784,952
All industries: FDEs	479	281,030,752	2,129,091
Raw materials and energy production	0	0	0
Goods production	0	0	0
Distribution and transportation of goods	d	d	d
Information	352	242,324,504	3,184,802
Finance, insurance, real estate, and rental and leasing	12	7,682,860	-201,450
Services	110	29,940,417	-846,229
Nature of business not allocable	d	d	d
Finance, insurance, real estate, and rental and leasing: CFCs	9,828	5,681,910,503	78,023,952
All industries: FDEs	1,582	989,565,235	4,118,806
Raw materials and energy production	17	2,267,414	105,410
Goods production	60	6,417,799	12,820
Distribution and transportation of goods	39	992,007	16,928
Information	23	995,856	162,472
Finance, insurance, real estate, and rental and leasing	1,189	846,373,638	4,450,599
Services	242	132,263,161	-630,271
Nature of business not allocable	12	255,360	849

Footnotes at end of table.

Controlled Foreign Corporations, 2006

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Table 5. Controlled Foreign Corporations and Their Foreign Disregarded Entities: Number, End-of-Year Total Assets, and Current Earnings and Profits (Less Deficit) After Income Taxes, by Selected Industrial Sector, Tax Year 2006—Continued

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

Selected industrial sector of Controlled Foreign Corporation and Foreign Disregarded Entity	Number of Foreign Entities	End-of-year total assets	Current earnings and profits (less deficit) after taxes
			(1) (2) (3)
Services: CFCs	25,039	2,796,140,314	111,507,514
All industries: FDEs	5,968	1,219,754,029	42,155,952
Raw materials and energy production	136	14,833,327	1,604,972
Goods production	1,067	257,654,672	6,937,612
Distribution and transportation of goods	829	58,832,836	4,100,596
Information	369	50,193,800	9,602,801
Finance, insurance, real estate, and rental and leasing	617	258,498,612	1,594,346
Services	2,889	571,188,007	18,214,753
Nature of business not allocable	61	8,552,775	100,873
Nature of business not allocable: CFCs	222	753,954	-38,974
All industries: FDEs	12	3,484,579	123,723
Raw materials and energy production	d	d	d
Goods production	d	d	d
Distribution and transportation of goods	d	d	d
Information	d	d	d
Finance, insurance, real estate, and rental and leasing	d	d	d
Services	d	d	d
Nature of business not allocable	d	d	d

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

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

SOI Sampling Methodology and Data Limitations

This article discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI reports. More technical information is available, on request, by writing to the Director, Statistics of Income Division RAS:S, Internal Revenue Service, P.O. Box 2608, Washington, DC 20013-2608.

Sample Criteria and Selection of Returns

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. As returns are filed and processed for tax purposes, they are assigned to sampling classes (strata) based on such criteria as: industry, presence or absence of a tax form or schedule, and various income factors or other measures of economic size (such as total assets, total receipts, size of gift, and size of estate). The samples are selected from each stratum over the appropriate filing periods. Thus, sample selection can continue for a given study for several calendar years—3 for corporations because of the incidence of fiscal (noncalendar) year reporting and extensions of filing time. Because sampling must take place before the population size is known precisely, the rates of sample selection within each stratum are fixed. This means, in practice, that both the population and the sample size can differ from those planned. However, these factors do not compromise the validity of the estimates.

The probability of a return's selection depends on its sample class or stratum and may range from a fraction of 1 percent to 100 percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns in the stratum, and interest in the stratum as a separate subject of study. All this is subject to constraints based on the estimated pro-

cessing costs or the target size of the total sample for the program.

For most SOI studies, returns are designated by computer from the IRS Master Files based on the taxpayer identification number (TIN), which is either the Social Security number (SSN) or the Employer Identification Number (EIN). A fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for a return's sample stratum, then it is selected and processed for the study. Otherwise, it is counted (for estimation purposes), but not selected. In some cases, the TIN is used directly by matching specified digits of it against a predetermined list for the sample stratum. A match is required for designation.

Under either method of selection, the TINs designated from one year's sample are, for the most part, selected for the next year's, so that a very high proportion of the returns selected in the current year's sample are from taxpayers whose previous years' returns were included in earlier samples. This longitudinal character of the sample design improves the estimates of change from one year to the next.

Method of Estimation

As noted above, the probability with which a return is selected for inclusion in a sample depends on the sampling rate prescribed for the stratum in which it is classified. "Weights" are computed by dividing the count of returns filed for a given stratum by the number of population sample returns for that same stratum. These weights are usually adjusted for unavailable returns, outliers, or trimming weights. Weights are used to adjust for the various sampling rates used, relative to the population—the lower the rate, the larger the weight. For some studies, it is possible to improve the estimates by subdividing the original sampling classes into "poststrata," based on additional criteria or refinements of those used in the original stratification. Weights are then computed for these poststrata using additional population counts. The data on each sample return in a stratum are then multiplied by that weight. To produce the tabulated estimates, the

**Sample returns
are designated
by computer
from the IRS
Master Files based
on the taxpayer
identification
number.**

SOI Sampling Methodology and Data Limitations

In transcribing and tabulating data from tax returns, checks are imposed to improve the quality of the statistics.

weighted data are summed to produce the published statistical totals.

Sampling Variability

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample design. Estimates derived from

the different samples usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

In SOI reports, the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in percentage form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its CV to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 2 percent, then the following arithmetic procedure would be followed to construct a 68-percent confidence interval estimate:

$$\begin{aligned} 150,000 & \text{ (sample estimate)} \\ \times 0.02 & \text{ (coefficient of variation)} \\ = 3,000 & \text{ (standard error of estimate)} \end{aligned}$$

then:

$$\begin{aligned} 150,000 & \text{ (sample estimate)} \\ + \text{ or } - 3,000 & \text{ (standard error)} \\ = \{147,000, 153,000\} & \text{ (68-percent confidence interval).} \end{aligned}$$

Based on these data, the interval estimate is from 147 to 153 thousand returns. This means that the average estimate of the number of returns lies within an interval computed in this way. Such an estimate would be correct for approximately two-thirds of all possible

samples similarly selected. To obtain this interval estimate with 95-percent confidence, the standard error should be multiplied by 2 before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

Further details concerning sample design, sample selection, estimation method, and sampling variability for a particular SOI study may be obtained, on request, by writing to the Director, Statistics of Income Division, at the address given above.

Nonsampling Error Controls and Limitations

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling error, there are other sources of error that may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors and inconsistencies, processing errors, and the effects of any early cutoff of sampling. Additional information on nonsampling error as it applies to individual and corporation income tax returns is presented in the separate SOI reports on these returns.

In transcribing and tabulating the information from returns or forms selected for the sample, steps are taken to improve the quality of the resultant estimates. Tax return data may be disaggregated or recombined during the statistical abstracting and "editing" process that takes place in IRS submission processing centers. This is done to improve data consistency from return to return and to achieve definitions of the data items more in keeping with the needs of major users. In some cases, not all of the data are available from the tax return as originally filed. Sometimes, the missing data can be obtained by the Statistics of Income Division in Washington, DC, through field followup. More often, though, they are obtained through manual or computerized imputation. For this purpose, other information in the return or in accompanying schedules may be sufficient to serve as the basis for making an estimate. Prior-year data for the same taxpayer can be used for this same purpose, or comparable data from business reference books may be substituted.

Data abstracted or "edited" from returns for statistical use are subjected to a number of validation checks, including systematic verifications of a sampling of the work of each tax examiner involved in the SOI process. Data reported on sampled returns

SOI Sampling Methodology and Data Limitations

and previously transcribed as part of processing for the IRS Master Files are subject to validation as part of the administrative process before SOI processing begins. However, during the administrative process, it is only practical to transcribe corrections to errors that have a direct bearing on the tax reported or the refund claimed. Therefore, during the SOI process, checks must also be made to correct any errors or inconsistencies left in the administrative data before the data can be accepted for the statistics.

The Statistics of Income program includes many more tax return items than are transcribed and perfected for IRS tax administration needs, especially for items reported in tax return schedules in support of the various summary totals reported on the return. Therefore, checks must also be designed to validate these additional data items and to assure that they are consistent with other data entries.

Most of the data validation checks made during the SOI process take the form of computerized tests of each record. In addition to verifying that internal consistency and proper balance and relationships among the tax return items and statistical classifications are maintained, this process is intended to check on consistency with tax law provisions, acceptable reporting practices, and generally accepted accounting principles. Most testing occurs during the data abstracting and editing operation, while the tax return source document is still on hand, although some testing for certain programs occurs later on. Records failing the tests are subjected to further review and correction.

Finally, before publication, the statistics are reviewed for accuracy and reasonableness in light of the tax law provisions, taxpayer reporting variations and other limitations, tolerances and statistical techniques allowed or employed in data processing and estimating, economic conditions, and comparability with other statistical series. However, these controls do not completely eliminate the possibility of error. When discovered, errors in *Bulletin* tables are corrected, through a published errata.

Table Conventions

Published estimates subject to excessive sampling variability are identified for most of the statistics by means of an asterisk (*) presented alongside the estimate or in place of an estimate. Presence of an asterisk means that the sampling rate was less than 100 percent of the population and that there were fewer than 10 sample observations available for estimation purposes. This method produces a rough indication of excessive sampling variability. However, the results will differ somewhat from more precise indicators of excessive sampling variability based on the standard statistical formula. For some of the statistics based on samples, asterisking was not possible because of resource and other constraints. Users should keep this limitation in mind when using these data.

A zero, in place of a frequency or an amount, in any given table cell presenting data based on an SOI sample, indicates either that (1) there were no returns in the population with the particular characteristic, or (2) because of its rarity, instances of the characteristic were not present among the sampled returns. However, for statistics based on returns selected for the sample at the 100-percent rate, a zero indicates a presumption of no returns with the particular characteristic in the population.

In addition to sampling variability, Statistics of Income is required to prevent disclosure of information about specific taxpayers or businesses in its tables. Therefore, a weighted frequency (and the associated amount, where applicable) of less than 3 is either combined with data in an adjacent cell(s) so as to meet the criteria, or deleted altogether. Similar steps are taken to prevent indirect disclosure through subtraction. However, any combined or deleted data are included in the appropriate totals. Most data on tax-exempt, nonprofit organizations are excluded from disclosure review because the Internal Revenue Code and regulations permit public access to most of the information reported by these organizations.

SOI Projects, Contacts, and Public Release Information

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov

SOI Projects and Contacts	Program Content and Frequency	Program Year	Goals for Public Release				
			End of tax year	Close of filing period—		Close of sampling period	Planned release date for the final draft
				Regular	With extensions of time		
Controlled Foreign Corporations [1]: Jason Wenrich	This semiannual study provides data on activities of foreign corporations that are controlled by U.S. corporations. Data are classified by industry group and country.	2008	June 2009	September 2009	March 2010	June 2010	October 31, 2011
Controlled Foreign Partnerships [1]: Bill States	This study provides data on activities of foreign partnerships that are controlled by U.S. corporations or partnerships. Frequency of this study has not been determined.	2008	June 2009	September 2009	March 2010	June 2010	December 31, 2011
Corporation Foreign Tax Credit [1]: Scott Luttrell Lissa Costa Nuria McGrath	This annual study provides data on foreign income, taxes paid, and foreign tax credit reported on corporation foreign income tax returns. Data are classified by industry group and country.	2008 2009	June 2009 June 2010	September 2009 September 2010	March 2010 March 2011	June 2010 June 2011	October 31, 2011 October 31, 2012
Corporation Income Tax Returns [2]: Heather Parisi & Bill Rush Bill Rush & Kimberly Stockton	Basic data are produced annually and cover complete income statement, balance sheet, tax, tax credits, and details from supporting schedules. Data are classified chiefly by industry group or asset size.	2008 2009	June 2009 June 2010	September 2009 September 2010	March 2010 March 2011	June 2010 June 2011	January 31, 2011 December 30, 2011
Disregarded Entities Study [1]: Jason Wenrich	This semiannual study provides data on activities of foreign disregarded entities that are controlled by U.S. corporations. Data are classified by industry group and country.	2008	June 2009	September 2009	March 2010	June 2010	May 31, 2012
Estate Tax: Brian Raub Joseph Newcomb	This annual study provides information on a gross estate and its composition, deductions, and tax; and information on the age, sex, and marital status of decedents. Basic estate tax return data by year in which returns are filed are produced each year. Other statistics are available on a year-of-death basis (approximately every 3 years). The most recent study is based on decedents who died in 2007 with returns filed in 2007–2009. The most recent data available are for returns filed in 2009.	2010	[3]	[3]	[3]	December 2010	October 31, 2011
Fiduciary Income Tax Study: Joseph Newcomb	This annual study provides data on income, deductions, gains, and losses reported by estates and trusts, as well as distributions to beneficiaries and income tax liability.	2010	[5]	[5]	[5]	December 2010	October 31, 2011

Footnotes at end of table.

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Foreign-Controlled Domestic Corporations: James Hobbs	This annual study covers domestic corporations with 50-percent-or-more stock ownership by a single foreign "person." It covers balance sheet, income statement, and tax-related data, which are classified by industry group, country, and size and age of the corporations. Data are compared to those for other domestic corporations.	2009	June 2010	September 2010	March 2011	June 2011	December 30, 2011
Foreign Recipients of U.S. Income: Scott Luttrell	This annual study provides data by country on income paid to nonresident aliens and the amount of tax withheld for the U.S. Government.	2009 2010	December 2009 December 2010	March 2010 March 2011	April 2010 April 2011	March 2011 March 2012	September 30, 2011 September 30, 2012
Foreign Trusts: Dan Holik	This periodic study, conducted every 4 years, provides data on foreign trusts that have U.S. "persons" as grantors, transferors, or beneficiaries. Data include country where the trust was created, value of transfer to the trust, and year the trust was created. The most recent study is for Tax Year 2006.	2010	December 2010	April 2011	October 2011	March 2012	December 2012
Gift Tax: Melissa Belvedere	This annual study provides data for type and amount of gift, information on donee, and tax computation items. Information about the donor and gift splitting is also available. The most recent available data are for Filing Year 2009.	2010	[3]	[3]	[3]	December 2010	October 31, 2011
Individual Income Tax Returns: Maureen Keenan Kahr Scott Hollenbeck Mike Parisi	Basic data are produced annually and cover income, deductions, tax, and credits reported on individual income tax returns and associated schedules. Data are classified by size of adjusted gross income, marital status, or type of tax computation.	2008 2009 2010	December 2008 December 2009 December 2010	April 2009 April 2010 April 2011	October 2009 October 2010 October 2011	December 2009 December 2010 December 2011	August 31, 2010 August 31, 2011 August 31, 2012
Interest-Charge Domestic International Sales Corporations: Dan Holik	These corporations replaced the Domestic International Sales Corporations, or DISCs, as of 1985. Balance sheet, income statement, and export-related data are tabulated every 2 years. The most recent study is for Tax Year 2006.	2010	June 2011	September 2011	March 2012	June 2012	February 28, 2013

Footnotes at end of table.

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			End of tax year	Close of filing period—		Close of sampling period	Planned release date for the final draft
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International Boycott Reports: Lissa Costa	This study provides data on business operations of U.S. "persons" in boycotting countries, as well as the requests and agreements to participate in, or cooperate with, international boycotts not sanctioned by the U.S. Government.	2009	December 2009	April 2010	September 2010	July 2011	October 31, 2011
Migration Flow and County Income Data: Emily Gross Kevin Pierce	Migration flow data (based on year-to-year changes in individual income tax return addresses) and county or State income data are available annually on a reimbursable basis. The most recent data are for 2007–2008.	2008 2009	December 2008 December 2009	April 2009 April 2010	October 2009 October 2010	December 2009 December 2010	May 2011 September 2011
Noncash Charitable Contributions: Janette Wilson P.J. Liddell	This study of individual income tax returns provides detailed asset donations, descriptions of the donees, donor cost, fair market value, and deduction claimed on Form 8283, <i>Noncash Charitable Contributions</i> .	2008 2009	December 2008 December 2009	April 2009 April 2010	October 2009 October 2010	December 2009 December 2010	March 31, 2011 March 31, 2012
Nonfarm Sole Proprietorships: Jeff Curry Adrian Dungan	Basic data, produced annually, cover business receipts, deductions, and net income reported on Schedule C, Profit or Loss From Business, for nonfarm proprietors, classified by industry group.	2009 2010	December 2009 December 2010	April 2010 April 2011	October 2010 October 2011	December 2010 December 2011	August 31, 2011 August 31, 2012
Nonresident Alien Estate Tax: Melissa Belvedere	This annual study provides information on gross estates, including composition, deductions, and tax, of nonresident aliens who owned at least \$60,000 worth of property within the U.S. at time of death. The most recent available data are for returns filed in 2009.	2010	[3]	[3]	[3]	December 2010	August 31, 2011
Partnership Returns of Income [4]: Nina Shumofsky	Basic data, produced annually, cover income statement, balance sheet, and details from supporting schedules. Data are classified chiefly by industry group.	2009 2010	December 2009 December 2010	April 2010 April 2011	September 2010 September 2011	December 2010 December 2011	July 31, 2011 July 31, 2012
Partnership Withholding Study: Scott Luttrell	This annual study provides data on U.S. partnership payments to foreign partners. Data are classified by country and recipient type.	2008 2009	December 2008 December 2009	April 2009 April 2010	October 2009 October 2010	September 2010 September 2011	May 31, 2011 May 31, 2012

Footnotes at end of table.

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SOI Projects and Contacts	Program Content and Frequency	Program Year	Goals for Public Release				
			End of tax year	Close of filing period—		Close of sampling period	Planned release date for the final draft
				Regular	With extensions of time		
Personal Wealth Study: Brian Rauh Joseph Newcomb	This periodic study provides estimates of personal wealth of top wealth holders that are generated from estate tax return data using the "estate multiplier" technique, in conjunction with both filing-year and year-of-death estate databases. The most recent data, for 2004, are based on returns filed from 2004 to 2006.	2007	[3]	[3]	[3]	December 2009	September 30, 2011
S Corporations: Issac Goodwin Heather Parisi	Annual study data are collected for the income statement and balance sheet, and from supporting schedules. Data are classified by industry group or asset size.	2008 2009	June 2009 June 2010	September 2009 September 2010	March 2010 March 2011	June 2010 June 2011	January 31, 2011 December 31, 2011
Sales of Capital Assets Cross-Section: Janette Wilson	This periodic study provides detailed data on the sales of capital assets reported in the capital gains schedule of the individual income tax return, and on sales of residences and personal or depreciable business property.	2012	December 2012	April 2013	October 2013	December 2013	March 31, 2014
Sales of Capital Assets Panel: Janette Wilson	This periodic study provides detailed data on the sales of capital assets reported in the capital gains schedule of the individual income tax return, and on sales of residences and personal or depreciable business property.	1999–2007	December 2010	April 2011	October 2011	December 2011	December 31, 2012
Split-Interest Trust Information: Lisa Rosenmerkel	This annual study provides information on charitable remainder trusts, charitable lead trusts, and pooled income funds. Data include balance sheet, income, deductions, and detail from accumulation and distribution schedules. The most recent data are for Filing Year 2009.	2010	[5]	[5]	[5]	December 2010	October 31, 2011
Tax-Exempt Bond Issues: Cynthia Belmonte Aaron Barnes	This annual study provides information on private activity and Governmental bond issues by type of property financed, size of face amount, and State. The most recent data are for Issue Year 2008 public purpose bonds and private activity bonds.	2009	[6]	[6]	[6]	December 2010	July 29, 2011

Footnotes at end of table.

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SOI Projects and Contacts	Program Content and Frequency	Program Year	Goals for Public Release				
			End of tax year	Close of filing period—		Close of sampling period	Planned release date for the final draft
				Regular	With extensions of time		
Tax-Exempt Organizations (Except Private Foundations) [7]: Paul Arnsberger Mike Graham	This annual study provides balance sheet and income statement data for organizations classified as tax-exempt under subsections 501(c) (3)-(9) of the Internal Revenue Code. The most recent data are for Tax Year 2007 returns filed in Calendar Years 2008–2009.	2008	November 2009	April 2010	October 2010	December 2010	July 29, 2011
Tax-Exempt Organizations, (Private Foundations) [7]: Cynthia Belmonte Mike Graham	This annual study provides balance sheet and income statement data for domestic private foundations and charitable trusts filing a Form 990-PF. The most recent data are for Tax Year 2007 returns filed in Calendar Years 2008–2009.	2008	November 2009	April 2010	October 2010	December 2010	July 29, 2011
Tax-Exempt Organizations, Unrelated Business Income [7]: Jael Jackson	This annual study provides tabulations of unrelated business income and deductions for organizations classified as tax-exempt under the Internal Revenue Code. The most recent data are for Tax Year 2007 returns filed in Calendar Years 2008–2009.	2008	November 2009	April 2010	October 2010	December 2010	October 31, 2011
Transactions of Foreign-Controlled Corporations: Isaac Goodwin Gerry Skurski	This biennial study provides data on transactions between U.S. corporations and their foreign owners. Data are classified by country and industry group.	2006 2008	June 2007 June 2009	September 2007 September 2009	March 2008 March 2010	June 2008 June 2010	April 2009 April 2011
ZIP Code Area Data: Kevin Pierce	Statistics on CD-ROM show number of individual income tax returns, exemptions, and several income items by State and 5-digit ZIP Code. Data are available for 2002 and 2004–2007 on a reimbursable basis. Data for Tax Years 1998 and 2001 are also available, free of charge, on the IRS Web site: http://www.irs.gov/taxstats/article/0,,id=96947,00.html .	2008 2009	December 2008 December 2009	April 2009 April 2010	October 2009 October 2010	December 2009 December 2010	May 2011 September 30, 2011

[1] Data for 2008 represent accounting periods ending July 2008 through June 2009. Data for other study years are similarly defined.

[2] Corporation statistics for 2008 represent accounting periods ended July 2008 through June 2009. Study Year 2009 is similarly defined.

[3] Estate and gift tax data are processed on a filing-year, rather than on a year-of-death or gift-year (tax-year) basis. At a later stage (not shown here), filing years are combined by year of death or gift year, respectively.

[4] For Forms 1065 that are due after December 31, 2008, the automatic extension period was reduced from 6 months to 5 months.

[5] Split-interest trust and fiduciary income tax statistics are processed on a filing-year rather than a tax-year basis.

[6] Tax-exempt private activity governmental bond statistics are collected annually based on issue year. Arbitrage rebate and penalty are conducted biennially, for tax years ending in odd numbers.

[7] Data for 2007 represent tax years ending between December 2007 and November 2008. Study Year 2008 is similarly defined.

SOI Products and Services

Statistics of Income (SOI) data are available in electronic formats and in print. For further information on any of the following products and services, or for answers to questions on the availability of SOI data, other statistical services, or release dates for data, contact SOI's **Statistical Information Services (SIS):**

Statistical Information Services (sis@irs.gov)
Statistics of Income Division
Internal Revenue Service
P.O. Box 2608 • Washington, DC 20013-2608
(202) 874-0410 • **Fax:** (202) 874-0964

As its name implies, SIS is best able to answer questions about data. It does not supply tax forms or information about the status of an individual's tax refund or audit examination. Media requests should be directed to the IRS Media Relations Branch, Communications Division, on (202) 622-4000.

Free Products on the Internet

SOI's Internet site offers a combination of files presenting SOI tables, articles about SOI data, and information about SOI products and services, as well as non-SOI products, including Compliance Research projections and nonprofit Master File microdata records. At present, almost 12,000 files reside there.

Web site: www.irs.gov/taxstats

There is also a direct link to our Web site from FedStats, the gateway to official statistics from the Federal Government: www.fedstats.gov.

Tax Stats

On the Tax Stats Home Page, you will find the following list of topics that will lead to a wide range of tables, articles, and data that describe and measure elements of the U.S. tax system. There is also a link to check out What's New.

Business Tax Statistics

Corporations • International • Partnerships
Nonfarm Sole Proprietorships
S Corporations • All Topics

Charitable and Exempt Organization Statistics

Charities • Exempt Organization Master File
Private Foundations • Trusts
Tax-Exempt Bonds • All Topics

Individual Tax Statistics

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Statistics of Income (SOI)

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Products for Sale From SOI

Many of SOI's data files are available for sale on CD-ROM or via e-mail through Statistical Information Services. **Prepayment is required for orders of \$100 or more**, with checks made payable to the **IRS Accounting Section**. Credit and debit card payments are also accepted. Contact SIS for information on specific products, prices, sources, media, and ordering instructions.

The following files are currently available on a reimbursable basis and include data from returns for corporations, individuals, exempt organizations, and private foundations and charitable trusts. Most of these files are tabulations of aggregated data, but some are files of microdata records.

Corporation Income Tax Returns

Corporation Source Book

CD-ROMs containing data from the *Corporation Source Book* are available for Tax Years 1996-2003 at a cost of \$250 per year. Data from the 2004 through 2008 *Corporation Source Books* are available at no charge from the Tax Stats Web site. Data tables from the 2000 through 2008 *Source Books* are also available at no charge from the Tax Stats Web site at: www.irs.gov/taxstats/bustaxstats/article/0,,id=149687,00.html.

Individual Income Tax Returns

Individual Public-Use Microdata Files

These files include individual income tax returns for Tax Years 1960, 1962, 1964, and 1966-2005. All of the files have been edited to protect the confidentiality of individual taxpayers. Public-use files of individual income tax returns for 1960, 1962, 1964, and 1966-1991 are available for sale by writing to the Center for Electronic Records at the National Archives and Records Administration, 8601 Adelphi Road, College Park, MD 20740-6001, or by calling toll-free (866) 272-6272. Files for 1992 through 2005 are available on CD-ROM from the SOI Division. Price for the SOI microdata files is \$4,000 per year.

County-to-County Migration Data

Data are based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. Data present migration patterns by county for the entire United States, including inflows and outflows, and include the number of returns (which approximates the number of households); the number of personal exemptions (which approximates the population); and total "adjusted gross income." Available for Filing Years 1991-2008. Price is \$200 per year for the entire United States or \$10 per State per year for Filing Years 1991-2004. All years for the entire United States are also available for \$500. Filing Years 2005-2008 are available at no cost at www.irs.gov/taxstats. Click on "U.S. Population Migration Data."

State-to-State Migration Data

Data are based on the year-to-year changes in the addresses shown on the population of returns from the IRS Individual Master File system. Data present migration patterns by State for the entire United States, including inflows and outflows, and include the number of returns (which approximates the number of households); the

number of personal exemptions (which approximates the population); and total "adjusted gross income." Available for Filing Years 1989-2008. Price is \$50 per year for the entire United States or \$10 per State per year for Filing Years 1989-2004. Filing Years 2005-2008 are available at no cost at www.irs.gov/taxstats. Click on "U.S. Population Migration Data."

County Income Data

One table, based on the population of returns from the IRS Individual Master File system. This table presents data for adjusted gross income (total and for selected sources), number of returns (which approximates the number of households), and number of personal exemptions (which approximates the population). The data are presented by county (including State totals) and are available for Tax Years 1989-2007 for the entire United States. Price is \$50 per year for the entire United States or \$10 per State per year for Filing Years 1989-2003. Filing Years 2005-2008 are available at no cost at www.irs.gov/taxstats. Click on "U.S. Population Migration Data."

ZIP Code Area Data

Statistics are available for Tax Years 2002 and 2004-2006 on CD-ROM showing the number of individual income tax returns; the total number of exemptions and number of dependent exemptions (which approximates population); adjusted gross income; salaries and wages; taxable interest; total tax; contributions; number of returns with Schedules C and F; and number of returns with Schedule A, by State and 5-digit ZIP Code. In addition to these items, data for Tax Year 2004-2007 also show the amount of taxable dividends; net capital gain/loss; IRA payment adjustment; self-employed pension adjustment; taxes paid deduction; alternative minimum tax; income tax before credits; earned income credit; and number of returns prepared by paid preparers. Price is \$500 for the entire United States; \$25 for a single State. Data for Tax Years 1998 and 2001 are available free on SOI's Internet site. Go to www.irs.gov, select the **Tax Stats** option; Individual Tax Statistics; Individual Income Tax; Zip Code Data (SOI) under Data by Geographic Areas.

Tax-Exempt Organizations

Compendium of Studies of Tax-Exempt Organizations, 1989-1998

This is a compilation of articles on SOI studies of charitable and other nonprofit organizations described in Internal

SOI Products and Services

Revenue Code sections 501(c)(3)-(c)(9), private foundations, charitable remainder trusts, and nonprofit organizations' unrelated business income. All of these articles were published previously in various issues of the *Statistics of Income Bulletin*. In addition, the *Compendium* includes papers on statistical sampling of tax-exempt organization returns, and other topics relating to tax-exempt organizations and philanthropy that were authored by IRS staff and others who use SOI study data for research. Available at no charge on CD-ROM.

Microdata Records for Tax Year 2007

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. The samples include 16,042 Internal Revenue Code section 501(c)(3) organizations and 6,555 section 501(c)(4)-(9) organizations. All returns for organizations with assets of \$50,000,000 or more are included in the sample. Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Available for download from SOI's Tax Stats Web site at www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html, or may be purchased on CD-ROM for \$20.

Microdata Records for Tax Years 1992-2006

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. Microdata records contain information on balance sheets and income statements, as well as weights (to estimate the population), for each organization. Available for download from SOI's Tax Stats Web site at www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html, or may be purchased on CD-ROM for \$20.

Private Foundations (and Charitable Trusts)

Microdata Records for Tax Year 2007

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. The file contains both operating and nonoperating foundations and trusts. The sample includes 12,776 returns. (All returns filed by foundations with assets of \$10 million or more, as well as the population of returns filed by nonexempt charitable trusts, are included in the sample.) Microdata records contain information on revenue, expenses,

assets, and distributions, as well as weights, for each foundation or trust. Available for download from SOI's Tax Stats Web site at www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html, or may be purchased for \$20.

Microdata Records for Tax Years 1992-2006

Microdata records of all Forms 990-PF sampled for the annual SOI study covering private foundations and Internal Revenue Code section 4947 (a)(1) charitable trusts. Microdata records contain information on revenue, expenses, assets, and distributions, as well as weights, for each foundation or trust. Available for download from SOI's Tax Stats Web site at www.irs.gov/taxstats/charitablestats/article/0,,id=96996,00.html, or may be purchased for \$20.

Publications

Statistics of Income—2008, Corporation Source Book

Publication 1053, Price: \$175, plus \$10 for shipping and handling

This document presents detailed income statement, balance sheet, tax, and selected items, by sector, major and minor industrial groups, and size of total assets for all returns and separately for returns with net income. Separate statistics on S corporations are included by sector. Industry detail is based on the North American Industry Classification System (NAICS). The report, which underlies the *Statistics of Income—Corporation Income Tax Returns* publication, is part of an annual series and can be purchased in its entirety or by page. *Corporation Source Book* industry pages and notes for 1963 through the present are available at a cost of \$30, plus \$1 per page copying charge (free for orders under 5 pages). The complete, printed version of the *Source Book* for selected prior years, 1984-2008, is also for sale at \$175 per year, plus \$10 for shipping and handling.

Compendium of Federal Estate Tax and Personal Wealth Studies

Publication 1773, Price: \$26, plus \$10 for shipping and handling

Part I of this report focuses on data from estate tax returns, describing decedents, their beneficiaries, and the composi-

tion of their estates. It contains a methodological discussion of the strategy used in weighting sample data for the estate studies and presents statistics on selected components of decedents' estates, 1916-1990. Information on charitable giving is also included.

Part II presents a series of articles describing the estate-multiplier technique and its applications for personal wealth estimates, estimates of personal wealth for selected years 1962-1989, and a discussion of the relationship among realized income, wealth, and well-being.

Products for Sale From GPO

Recent SOI publications are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC, by calling **(202) 512-1800**, or faxing **(202) 512-2250**. Credit cards are accepted. Publications may also be obtained by using the order form at the end of this *Bulletin* or writing to:

Superintendent of Documents

P.O. Box 371954
Pittsburgh, PA 15250-7954

* If you determine from the Government Printing Office that any of the following items is out of print, call **Statistical Information Services on (202) 874-0410** for assistance.

Statistics of Income—2007, Corporation Income Tax Returns

Publication 16 Stock No. 048-004-02520-5
Price: \$52.00

This report presents comprehensive data on corporation income tax returns with accounting periods that ended July 2007 through June 2008. Data are classified by industry, size of total assets, and size of business receipts. In addition, the 2006 report is available on SOI's Tax Stats Web site.

Statistics of Income—2007, Individual Income Tax Returns

Publication 1304, Stock No. 048-004-02514-1
Price: \$43 Foreign: \$60.20

This report presents more comprehensive and complete data on individual income tax returns for Tax Year 2007 than those published earlier in the *SOI Bulletin*.

Presents information on:

- sources of income
- exemptions
- itemized deductions
- tax computations

Classifies data by:

- size of adjusted gross income
- marital status
- type of tax computation
- age

IRS Data Book, 2009

Annually, Publication 55B, Stock No. 048-004-02518-3
Price: \$13.75 International: \$19.25

This volume pertains to Fiscal Year (FY) 2009—October 1, 2008, through September 30, 2009. The report provides information on returns filed and taxes collected, enforcement, taxpayer assistance, the IRS budget and workforce, and other selected activities. The FY 2010 issue of the Data Book will be available in late March 2011.

Statistics of Income Bulletin

Quarterly, Publication 1136, Stock No. 748-005-00000-4
Subscription price: \$67 International: \$93.80
Summer 2010 Single copy, Stock No. 748-005-00104-4
Single copy price: \$44 International: \$61.60

This series provides the earliest published financial statistics from individual and corporation income tax returns. The *Bulletin* also includes annual data on nonfarm sole proprietorships and partnerships, as well as periodic or special studies of particular interest to tax analysts, administrators, and economists. Historical tables, published in the spring issue, include data from SOI, as well as tax collections and refunds by type of tax.