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Inside this Issue

High-Income Tax Returns for 2010

by *Justin Bryan*

For 2010, there were 4,296,307 individual income tax returns reporting adjusted gross income (AGI) of \$200,000 or more, and 4,347,756 with expanded incomes of \$200,000 or more. These returns represent, respectively, 3.007 percent and 3.043 percent of all returns for the year. Based on expanded income and measured in current-year dollars, the number of high-income returns for 2010 was 64.3 times the number for 1977. When measured in 1976 constant dollars, the number of high-income returns was only 7.4 times the number for 1977. In constant dollars, the share of high-expanded income returns rose to 0.304 percent from 0.273 percent in 2009.

For individual income tax returns with an AGI of \$200,000 or more, 19,003 (0.442 percent) showed no U.S. income tax liability; and 8,046 (0.187 percent) showed no worldwide tax liability for the year. In comparison, for tax returns with expanded income of \$200,000 or more, 32,441 (0.746 percent) had no U.S. income tax liability; and 16,082 (0.370) had no worldwide income tax liability for 2010.

High-income tax returns are more often nontaxable for a combination of reasons, none of which alone would result in having no tax liability. Overall, most high-income taxpayers were subject to tax on a large share of their income, reporting substantial amounts of tax for the year. Only a small portion of all high-income taxpayers did not pay any income taxes (0.4 percent) for 2010, down from 0.5 percent in 2009.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

by *Janette Wilson and Pearson Liddell*

This article presents data from Sales of Capital Assets (SOCA) from Tax Years 2007, 2008, and 2009. For 2007, the Internal Revenue Service, Statistics of Income (SOI) Division drew a subsample of the individual cross section to provide a detailed analysis of types of capital gains. In 2007, the SOI also started a new panel sample of individual income tax returns designed for longitudinal analyses and cross-sectional estimations.

From Tax Years 2007 to 2009, capital gains declined \$616 billion, or 55.7 percent, from \$1.1 trillion to \$490.8 billion. During this same period, capital losses rose \$261 billion, or 135.2 percent, from \$192.8 billion to \$453.8 billion. In terms of capital gains less losses, net gains declined by over 90 percent, from \$914 billion in 2007 to \$37 billion in 2009. Passthrough entities and corporate stock made up the largest categories in terms of gains and losses during the 3-year period. In 2007, taxpayers

reported \$384.8 billion in gains (34.8 percent of total gains) from passthrough entities and \$320.1 billion gains (28.9 percent of total gains) from corporate stock sales. These amounts decreased between 2007 and 2009 by 63.9 percent and 48.5 percent, respectively, when taxpayers reported \$138.8 billion in gains for passthrough entities and \$164.8 billion in gains for corporate stock.

Municipal Bonds, 2010

by *Aaron Barnes*

In 2010, State and local governments raised \$556.9 billion from municipal bonds. Tax-exempt bond proceeds totaled \$420.7 billion, or 75.5 percent, of all bond proceeds during the year, while proceeds from tax credit bonds totaled almost \$1.1 billion and accounted for 0.2 percent. Some 24.3 percent of all municipal bond proceeds came from the recently introduced direct payment bonds and totaled more than \$135.1 billion.

The municipal bond market experienced significant changes in 2009, when Congress temporarily expanded financing options by introducing direct payment bonds. The American Recovery and Reinvestment Act of 2009 and the Hiring Incentives to Restore Employment Act of 2010 (HIRE) introduced direct payment bonds through the Build America Bond, the recovery zone economic development bond, and specified tax credit bond programs. More than 3,456 direct payment bonds raised \$135.1 billion in proceeds in 2010. The Build America Bond program raised slightly less than \$84.9 billion for education, transportation, and utilities purposes in 2010 before it expired on December 31, 2010. The provisions of HIRE allowed issuers of qualified school construction bonds, qualified zone academy bonds, qualified energy conservation bonds, and new clean renewable energy bonds to make an irrevocable election to issue direct payment bonds in the form of specified tax credit bonds. For 2010, specified tax credit bonds raised nearly \$8.9 billion in proceeds for 870 qualifying facilities. However, the municipal market was still dominated by the almost 22,000 tax-exempt governmental bonds issued in 2010, raising \$293.6 billion of proceeds for public projects such as schools, transportation infrastructure, and utilities.

Federal Estate Tax Returns Filed for Nonresident Aliens, 2009–2011

by *Melissa J. Belvedere*

The estate tax is one part of the Federal transfer tax system, which also includes the gift tax and the generation-skipping tax. This tax is a tax on the right to transfer property at death, and applies to both tangible and intangible assets. The estates of nonresident aliens

holding more than \$60,000 in U.S. assets at their time of death are required to file Form 706-NA, *United States Estate (and Generation-Skipping Transfer) Tax Return, Estate of nonresident not a citizen of the United States*.

The number of returns filed for estates of nonresident aliens declined significantly, from 824 in Filing Year 2009 to 438 in Filing Year 2011. Returns filed during the 3-year period were predominantly for estates of decedents who died between 2007 and 2010. Within these totals, there were two main types of returns: treaty status returns and nontreaty status returns. The amount of U.S.-based assets reported on treaty status returns declined from \$353.2 million in 2009 to \$123.2 million in 2011. For nontreaty status returns, the amount of U.S.-based assets reported declined from \$127.9 million in 2009 to \$47.6 million in 2011. Real estate assets and stock accounted for the majority of the total asset value for both treaty status and nontreaty status returns during the 3-year period.

International Boycott Reports, 2009 and 2010 *by Melissa Costa*

About 8 percent of the U.S. taxpayers reporting operations in countries known to participate in an unsanctioned international boycott received boycott requests for Tax Year 2009, while fewer than 6 percent received boycott requests for Tax Year 2010. For both years, more of these requests came from persons in the United Arab

Emirates than from any other country. Overall, the number of requests decreased by nearly 10 percent, while requests from entities in Yemen dropped by almost 58 percent. Less than 1 percent of taxpayers who had operations in countries known to participate in boycotts not sanctioned by the U.S. agreed to participate in such a boycott in 2009 and 2010, and less than 20 U.S. persons lost tax benefits for each year.

In the Next Issue

Articles on the following topics are tentatively planned for inclusion in the Summer 2013 issue of the *Statistics of Income Bulletin*, scheduled to be published in August 2013:

- Sole proprietorships, Tax Year 2011;
- Foreign-controlled domestic corporations, Tax Year 2010;
- Corporate foreign tax credit data, Tax Year 2009;
- Fiduciary income tax returns, Tax Years 2002–2009;
- Foreign person's U.S.-source income subject to withholding, 2009 and 2010;
- Unrelated business income tax returns, 2009; and
- Empowerment zone and renewal community employment credits, 1998–2010.

High-Income Tax Returns for 2010

by Justin Bryan

The Tax Reform Act of 1976 requires annual publication of data on individual income tax returns reporting incomes of \$200,000 or more, including the number of such returns reporting no income tax liability and the importance of various tax provisions in making these returns nontaxable.¹ This article presents detailed data for more than 4 million high-income returns for 2010, and summary data for the period 1977 to 2009. Detailed data for the years 1974 through 2009 were published previously (see the References section for more details).

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

Number of High-Income Returns

Figure A and Table 1 show there were 4,296,307 individual income tax returns with an AGI of \$200,000 or more, and 4,347,756 returns with an expanded income of \$200,000 or more in 2010. These returns represent 3.007 percent and 3.043 percent, respectively, of all returns for the year.

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

In the top panel of Figure A, the \$200,000 threshold for high-income returns is measured in current-year (nominal) dollars. Because it is fixed in nominal terms, as time passes, more and more tax returns will have incomes that exceed this threshold simply due to inflation. Therefore, to facilitate comparison of tax returns across time, the nominal threshold is adjusted for inflation in the bottom panel of Figure A. This panel shows what the \$200,000 threshold in 1976 would be each year after adjusting for inflation, and the implications of making that adjustment.⁶

From 1977 to 2010, the number of returns reporting incomes of \$200,000 or more generally increased annually, making up a larger share of all tax returns each year. The exceptions to this reflect the economic downturns in Tax Years 2001, 2002, 2008, and 2009. For these years, both the number of high-income returns and their percentage of all tax returns decreased. The general trend of a rise in the number of returns and share of all tax returns is similar when using the \$200,000 inflation-adjusted income threshold. However, the increases are much smaller and include decreases in Tax Years 1980, 1981, 1989 through 1991, and 1993. Many of these years also coincide with economic downturns.

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

When measured in 1976 constant dollars under the expanded income concept, the total number of high-income returns for 2010 was only 7.4 times the number for 1977. In comparison, when measured in current-year dollars, the number of high-income returns for 2010 was 64.3 times as large as for 1977. For 2010, the share of high expanded-income returns in constant dollars increased to 0.304 percent from 0.273 percent in 2009. Thus, when the threshold for considering a tax return to be high income is adjusted

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

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

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

⁴ See Notes to Appendix A, note A4.

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

⁶ Inflation-adjusted constant dollars are based on the Consumer Price Index (CPI-U) as published by the U.S. Department of Labor, Bureau of Labor Statistics. The Consumer Price Index approximates buying patterns of typical urban consumers. The annual index is the average of the monthly indices.

High-Income Tax Returns for 2010

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Figure A

All Returns and Returns with Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Income Concept, Tax Years 1977–2010

Tax year	All returns	\$200,000 income threshold measured in current dollars			
		Number of returns by income concept		Percentage of all returns by income concept	
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(1)	(2)	(3)	(4)	(5)
1977	86,634,640	53,403	67,580	0.062	0.078
1978	89,771,551	68,506	85,137	0.076	0.095
1979	92,694,302	93,731	122,231	0.101	0.132
1980	93,902,459	117,250	149,826	0.125	0.160
1981	95,396,123	138,136	175,092	0.145	0.184
1982	95,337,432	169,367	207,291	0.178	0.217
1983	96,321,310	198,608	249,319	0.206	0.259
1984	99,438,708	243,760	310,042	0.245	0.312
1985	101,660,287	296,507	370,340	0.292	0.364
1986	103,045,170	374,363	529,460	0.363	0.514
1987	106,996,270	539,967	557,848	0.505	0.521
1988	109,708,280	725,345	737,659	0.661	0.672
1989	112,135,673	786,063	814,152	0.701	0.726
1990	113,717,138	834,957	860,940	0.734	0.757
1991	114,730,123	846,707	892,178	0.738	0.778
1992	113,604,503	954,747	989,522	0.840	0.871
1993	114,601,819	993,326	1,043,213	0.867	0.910
1994	115,943,131	1,109,498	1,153,829	0.957	0.995
1995	118,218,327	1,272,508	1,319,382	1.076	1.116
1996	120,351,208	1,523,407	1,572,114	1.266	1.306
1997	122,421,991	1,807,900	1,854,031	1.477	1.514
1998	124,770,662	2,085,211	2,132,301	1.671	1.709
1999	127,075,145	2,429,942	2,479,556	1.912	1.951
2000	129,373,500	2,771,577	2,807,804	2.142	2.170
2001	130,255,237	2,567,220	2,605,021	1.971	2.000
2002	130,076,443	2,414,128	2,464,515	1.856	1.895
2003	130,423,626	2,536,439	2,573,133	1.945	1.973
2004	132,226,042	3,021,435	3,067,602	2.285	2.320
2005	134,372,678	3,566,125	3,584,012	2.654	2.667
2006	138,394,754	4,064,883	4,094,953	2.937	2.959
2007	142,978,806	4,535,623	4,576,315	3.172	3.201
2008	142,450,569	4,375,660	4,416,986	3.072	3.101
2009	140,494,127	3,924,489	3,975,288	2.793	2.830
2010	142,892,051	4,296,307	4,347,756	3.007	3.043

Footnotes at end of figure.

for inflation, the percentage of high-income returns in the population of all returns is about 90-percent lower than when the nominal threshold is used. Figure B shows the difference between the constant and current dollar shares of high expanded-income returns.

Based on AGI, the number of high-income returns for 2010 measured in 1976 constant dollars was only 9.2 times the number for 1977. In comparison, when measured in current-year dollars, the number of high-income returns was 80.5 times as large as for 1977. For Tax Year 2010, the

share of high AGI returns in constant dollars increased to 0.295 percent from 0.265 percent in 2009.

Nontaxable High-Income Returns

Two tax concepts are used in this article to classify tax returns as taxable or nontaxable. The first concept, “U.S. income tax,” is total Federal income tax liability, which includes the “alternative minimum tax” (AMT), *less* all credits against income tax. Since this applies to worldwide income and a credit (subject to certain limits) is

High-Income Tax Returns for 2010

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Figure A—Continued

All Returns and Returns with Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Income Concept, Tax Years 1977–2010

Tax year	Current dollar income threshold equal to \$200,000 in 1976 constant dollars (whole dollars) [1]	\$200,000 inflation-adjusted income threshold			
		Number of returns by income concept		Percentage of all returns by income concept	
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(6)	(7)	(8)	(9)	(10)
1977	213,005	45,931	58,991	0.053	0.068
1978	229,174	49,388	62,556	0.055	0.070
1979	255,184	55,542	76,479	0.060	0.083
1980	289,631	52,512	71,704	0.056	0.076
1981	319,508	50,880	71,146	0.053	0.075
1982	339,192	59,411	81,297	0.062	0.085
1983	350,088	67,310	93,977	0.070	0.098
1984	365,202	80,800	116,389	0.081	0.117
1985	378,207	95,740	134,715	0.094	0.133
1986	385,237	119,550	191,596	0.116	0.186
1987	399,297	161,408	169,942	0.151	0.159
1988	415,817	235,051	241,201	0.214	0.220
1989	435,852	217,685	228,530	0.194	0.204
1990	459,400	216,716	228,659	0.191	0.201
1991	478,735	183,442	195,743	0.160	0.171
1992	493,146	213,783	227,354	0.188	0.200
1993	507,909	201,236	212,853	0.176	0.186
1994	520,914	204,532	214,673	0.176	0.185
1995	535,677	237,770	248,077	0.201	0.210
1996	551,494	278,342	288,194	0.231	0.239
1997	564,148	335,040	345,869	0.274	0.283
1998	572,934	385,183	396,207	0.309	0.318
1999	585,589	436,118	446,583	0.343	0.351
2000	605,272	482,396	492,589	0.373	0.381
2001	622,495	391,901	400,906	0.301	0.308
2002	632,337	345,892	356,402	0.266	0.274
2003	646,749	356,727	367,012	0.274	0.281
2004	663,972	436,583	445,934	0.330	0.337
2005	686,467	519,216	527,126	0.386	0.392
2006	708,612	569,893	581,199	0.412	0.420
2007	728,794	606,026	618,154	0.424	0.432
2008	756,777	487,656	498,470	0.342	0.350
2009	754,084	372,665	383,354	0.265	0.273
2010	766,453	421,604	433,924	0.295	0.304

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

allowed against U.S. income tax for income taxes paid to foreign governments, a return could be classified as non-taxable under the U.S. income tax concept even though income taxes had been paid to a foreign government.

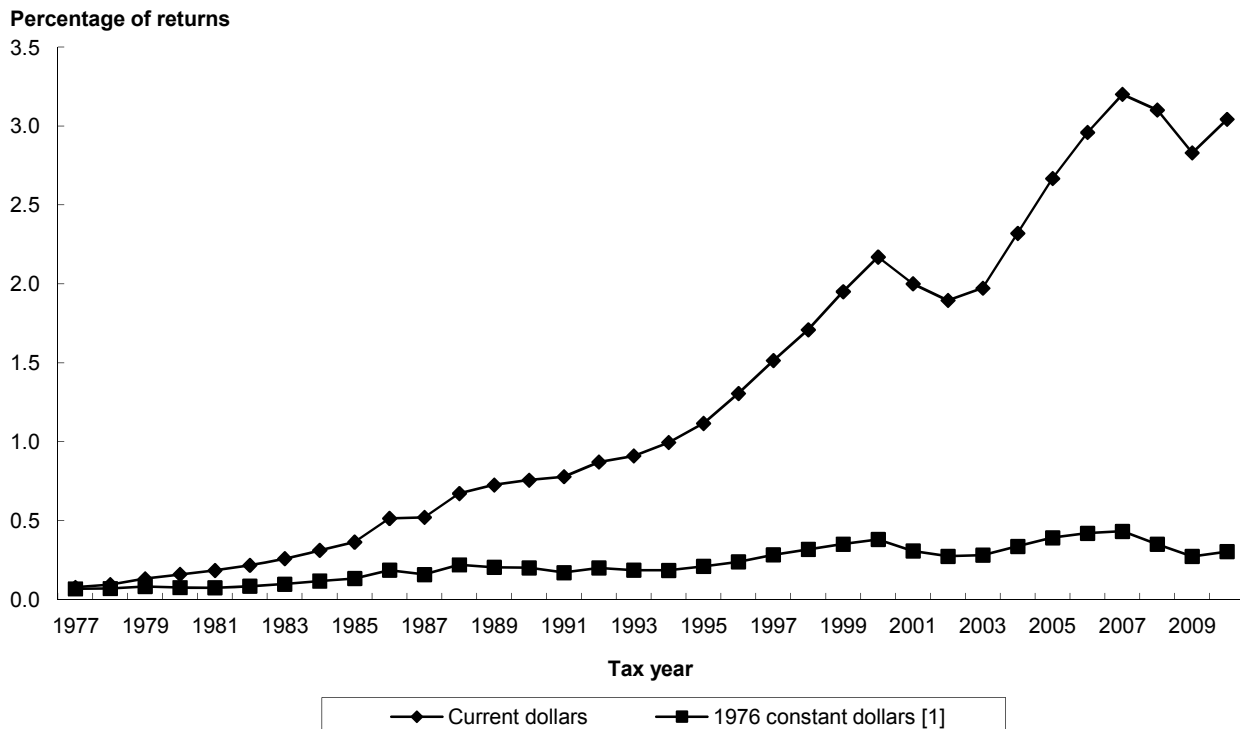
The second tax concept, “worldwide income tax,” addresses this circumstance by adding the allowed foreign tax credit and foreign taxes paid on excluded foreign-earned income to U.S. income tax.^{7,8} The sum of these

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

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

Figure B

Returns with Expanded Income of \$200,000 or More: Percentage of All Returns, Measured in Current and 1976 Constant Dollars, Tax Years 1977–2010



[1] 1976 constant dollars were calculated using the Consumer Price Index (CPI-U) as published by the U.S. Bureau of Labor Statistics. The CPI-U approximates buying patterns of typical urban consumers.

two items is believed to be a reasonable proxy for foreign taxes actually paid.

The effects of refundable credits were included in “High-Income Tax Returns for 2009,” which was published in *Statistics of Income Bulletin*, Spring 2012. Prior to the 2009 report, the income tax liability of taxpayers was based on the last line of the “Taxes and Credits” section of Form 1040 (Line 55 of the 2010 Form 1040). For years prior to 2007, this worked fine. Two refundable credits, the earned income credit (EIC) and the additional child tax credit, were reported in the “Payments” section of Form 1040 (Lines 64 and 65 of the 2010 Form 1040). However, the EIC did not affect high-income taxpayers and the additional child tax credit was only available to taxpayers with zero income tax liability. In 2007, however, a new refundable Alternative Minimum Tax credit was added. This credit, also known as the refundable prior-year minimum tax credit, was reported in the “Payments” section of Form 1040 (Line 71c of the

2010 Form 1040). However, unlike the other two refundable credits, the refundable AMT credit can reduce a high-income taxpayer’s tax liability to zero. Since 2007, some other refundable credits have been added. For 2010, they consisted of the first-time homebuyer credit, making work pay credit, American opportunity credit, and adoption credit. Like the refundable AMT credit, these new credits are reported in the “Payments” section of Form 1040 and could reduce a high-income taxpayer’s tax liability. Figures C and D reflect the updated concept for 2007 through 2010.

For 2010, of the 4,296,307 income tax returns with an AGI of \$200,000 or more, 19,003 (0.442 percent) showed no U.S. income tax liability; and 8,046 (0.187 percent) showed no worldwide income tax liability as shown in the top panel of Figure C. For 2009, of the 3,924,489 returns with an AGI of \$200,000 or more, 20,752 returns (0.529 percent) had no U.S. income tax liability, and 10,080 returns (0.257 percent) had no worldwide income tax liability.

High-Income Tax Returns for 2010

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Figure C

Nontaxable Returns with Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Tax and Income Concept, Tax Years 1977–2010

Tax year	\$200,000 income threshold measured in current dollars							
	Number of nontaxable returns with income of \$200,000 or more				Percentage of all returns with income of \$200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1977	60	85	37	64	0.112	0.126	0.069	0.095
1978	98	105	60	67	0.143	0.123	0.088	0.079
1979	70	114	28	64	0.075	0.093	0.030	0.052
1980	143	198	56	114	0.122	0.132	0.048	0.076
1981	226	304	79	114	0.164	0.174	0.057	0.065
1982	262	299	109	153	0.155	0.144	0.064	0.074
1983	447	579	321	437	0.225	0.232	0.162	0.175
1984	532	325	471	271	0.218	0.105	0.193	0.087
1985	612	613	442	454	0.206	0.166	0.149	0.123
1986	659	595	437	379	0.176	0.112	0.117	0.072
1987	857	472	740	364	0.159	0.085	0.137	0.065
1988	822	397	731	309	0.113	0.054	0.101	0.042
1989	1,081	779	987	691	0.138	0.096	0.126	0.085
1990	1,219	1,183	1,114	1,087	0.146	0.137	0.133	0.126
1991	1,253	1,933	1,131	1,740	0.148	0.217	0.134	0.195
1992	909	1,896	823	1,799	0.095	0.192	0.086	0.182
1993	1,022	2,392	932	1,950	0.103	0.229	0.094	0.187
1994	1,137	2,574	1,061	2,161	0.102	0.223	0.096	0.187
1995	998	2,676	896	1,746	0.078	0.203	0.070	0.132
1996	1,044	1,820	950	1,660	0.069	0.116	0.062	0.106
1997	1,189	1,814	1,048	1,562	0.066	0.098	0.058	0.084
1998	1,467	2,224	1,283	1,914	0.070	0.104	0.062	0.090
1999	1,605	2,525	1,398	2,174	0.066	0.102	0.058	0.088
2000	2,328	2,766	2,022	2,320	0.084	0.099	0.073	0.083
2001	3,385	4,910	2,875	4,119	0.132	0.188	0.112	0.158
2002	2,959	5,650	2,551	4,922	0.123	0.229	0.106	0.200
2003	2,824	5,839	2,416	4,934	0.111	0.227	0.095	0.192
2004	2,833	5,028	2,420	4,101	0.094	0.164	0.080	0.134
2005	7,389	10,680	4,224	5,420	0.207	0.298	0.118	0.151
2006	8,252	11,014	4,123	4,322	0.203	0.269	0.101	0.106
2007	11,600	14,794	5,497	5,197	0.256	0.323	0.121	0.114
2008	22,257	31,539	12,326	17,127	0.509	0.714	0.282	0.388
2009	20,752	35,061	10,080	19,551	0.529	0.882	0.257	0.492
2010	19,003	32,441	8,046	16,082	0.442	0.746	0.187	0.370

Footnotes at end of figure.

For 2010, of the 4,347,756 tax returns with expanded income of \$200,000 or more, 32,441 (0.746 percent) had no U.S. income tax liability; and 16,082 (0.370 percent) had no worldwide income tax liability. For 2009, of the 3,975,288 returns with expanded income of \$200,000 or more, 35,061 (0.882 percent) had no U.S. income tax liability, and 19,551 (0.492 percent) had no worldwide income tax liability.

The proportion of nontaxable high-income returns decreased by all four measures between 2009 and 2010. The AGI decreases were possibly due to a decline in the number of returns with total miscellaneous deductions and refundable prior-year minimum tax credit used to offset income tax before credits. Between 2009 and 2010, the number of AGI returns with no U.S. income tax liability claiming these items as their primary reason for

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Figure C—Continued

Nontaxable Returns with Income of \$200,000 or More Measured in Current Dollars and in 1976 Constant Dollars, by Tax and Income Concept, Tax Years 1977–2010

Tax year	\$200,000 income threshold measured in 1976 constant dollars [1]							
	Number of nontaxable returns with income of \$200,000 or more				Percentage of all returns with income of \$200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1977	54	75	32	56	0.118	0.127	0.070	0.095
1978	62	70	31	39	0.126	0.112	0.063	0.062
1979	38	71	15	39	0.068	0.093	0.027	0.051
1980	56	71	22	39	0.107	0.099	0.042	0.054
1981	53	87	21	55	0.104	0.122	0.041	0.077
1982	58	68	27	36	0.098	0.084	0.045	0.044
1983	138	135	113	108	0.205	0.144	0.168	0.115
1984	170	78	160	66	0.210	0.067	0.198	0.057
1985	190	155	137	99	0.198	0.115	0.143	0.073
1986	201	189	138	120	0.168	0.099	0.115	0.063
1987	312	126	271	85	0.193	0.074	0.168	0.050
1988	277	141	251	116	0.118	0.058	0.107	0.048
1989	293	128	269	106	0.135	0.056	0.124	0.046
1990	339	169	307	137	0.156	0.074	0.142	0.060
1991	301	305	273	277	0.164	0.156	0.149	0.142
1992	171	288	148	264	0.080	0.127	0.069	0.116
1993	180	323	160	300	0.089	0.152	0.080	0.141
1994	227	345	209	329	0.111	0.161	0.102	0.153
1995	202	281	174	252	0.085	0.113	0.073	0.102
1996	236	275	213	254	0.085	0.095	0.077	0.088
1997	256	247	222	214	0.076	0.071	0.066	0.062
1998	290	289	251	253	0.075	0.073	0.065	0.064
1999	351	343	296	293	0.080	0.077	0.068	0.066
2000	464	365	390	290	0.096	0.074	0.081	0.059
2001	694	648	567	519	0.177	0.162	0.145	0.129
2002	520	616	437	530	0.150	0.173	0.126	0.149
2003	407	567	339	485	0.114	0.154	0.095	0.132
2004	350	396	301	344	0.080	0.089	0.069	0.077
2005	1,166	1,236	625	624	0.225	0.234	0.120	0.118
2006	1,257	1,111	512	306	0.221	0.191	0.090	0.053
2007	1,524	1,369	565	314	0.251	0.221	0.093	0.051
2008	3,001	2,861	1,436	1,116	0.615	0.574	0.294	0.224
2009	2,268	2,841	874	1,252	0.609	0.741	0.235	0.327
2010	2,151	2,520	621	820	0.510	0.581	0.147	0.189

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

NOTES: See Figure H for the derivation of U.S. income tax and worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits were factored in to determine tax liability. In order to maintain historical comparability, Tax Years 2007 and 2008 data were recalculated using the new criteria. However, 2007 and 2008 tables, published earlier, do not reflect these changes. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

nontaxability decreased from 3,344 and 3,228 to 2,534 and 766, respectively. For AGI returns with no worldwide tax, these items decreased from 3,279 and 913 returns in 2009 to 2,465 and 466 returns in 2010.

The expanded-income decreases were possibly due to the decrease in returns with tax-exempt interest and

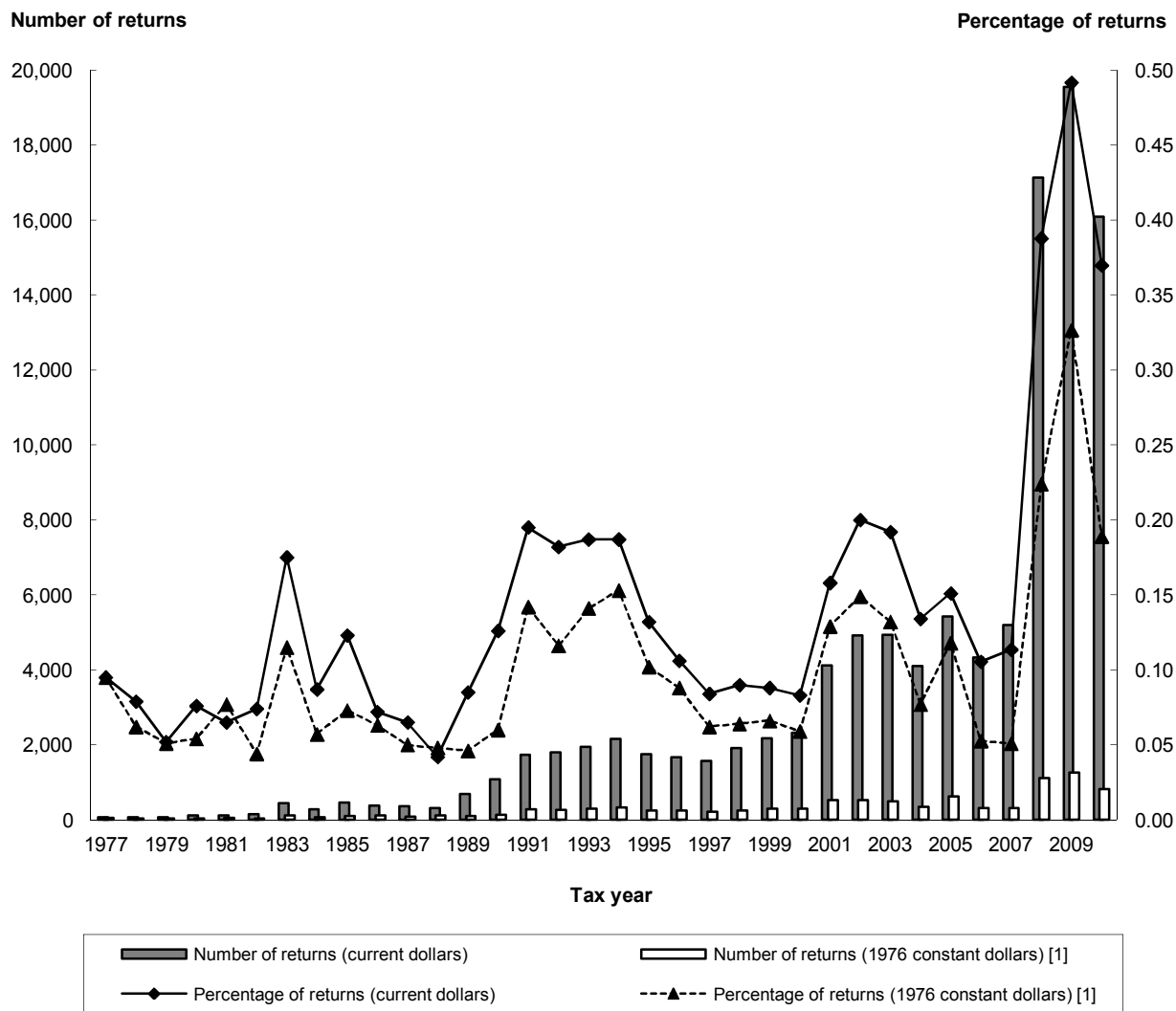
the refundable prior-year minimum tax credit used to offset income tax before credits. Between 2009 and 2010, the number of expanded returns with no U.S. income tax liability claiming these items as their primary reason for nontaxability decreased from 13,011 and 3,012 to 10,344 and 763, respectively. For expanded-income returns with

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Figure D

Returns with Expanded Income of \$200,000 or More: Number and Percentage of Returns with No Worldwide Income, Measured in Current Dollars and in 1976 Constant Dollars, Tax Years 1977–2010



[1] 1976 constant dollars were calculated using the Consumer Price Index (CPI-U) as published by the U.S. Bureau of Labor Statistics. The CPI-U approximates buying patterns of typical urban consumers.

NOTES: Starting in 2009, the portion of refundable credits that offset income taxes before credits were factored in to determine tax liability. To maintain historical comparability, Tax Years 2007 and 2008 data were recalculated using the new criteria. However, tables published in 2007 and 2008 do not reflect these changes. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect. Derivation of worldwide income tax is shown in Figure H.

no worldwide tax, these items decreased from 11,943 and 874 returns in 2009 to 9,655 and 463 returns in 2010 (see Tables 7 and 8 for more details).

Regardless of the income measure (AGI or expanded income) or the tax concept (U.S. income tax or worldwide income tax) used, the percentages of 2010

nontaxable high-income returns are generally not substantially different when measured in either constant or current dollars. Of returns with AGI of \$200,000 or more in current dollars, 0.442 percent reported no U.S. income tax for 2010 and 0.187 percent had no worldwide income tax. For returns measured in 1976 constant dollars, the

percentage with no U.S. income tax liability was 0.510; the percentage with no worldwide income tax liability was 0.147 as shown in the lower panel of Figure C.

Of returns with expanded income of \$200,000 or more that were measured in current dollars, 0.746 percent reported no U.S. income tax for 2010, and 0.370 percent had no worldwide income tax. When looking at these returns using 1976 constant dollars, the percentage with no U.S. income tax liability was 0.581, the percentage with no worldwide income tax liability was 0.189.

Figure D shows the number of returns with expanded income of \$200,000 or more with no worldwide income tax and their proportion of all high expanded-income returns for 1977 through 2010. These data are shown in both current-year and 1976 constant dollars. In this figure, the spread between the two percentage lines was small for the late 1970s, showed an increase for the early 1980s, and then narrowed before widening again after 1988. The spread generally narrowed after 1993 but has increased or stayed fairly consistent from 2002 to 2007. From 2007 to 2008, the spread widened considerably and maintained that spread into 2010.

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

Detailed Data for 2010

Tables 1 through 12 present data based on income tax returns for 2010, mainly those with income of \$200,000 or more (measured in current-year dollars) of AGI or expanded income. Most of the data are shown for taxable and nontaxable returns, both separately and combined. In summary, the tables show:

- ❑ The numbers of returns under the two tax concepts, cross-classified by broad AGI and expanded-income size classes (Tables 1 and 2);
- ❑ The distributions of taxable income as a percentage of AGI and expanded income (Tables 3 and 4);

- ❑ The frequencies and amounts of various sources of income, exclusions, deductions, taxes, and tax credits, as well as the relationship between the two income concepts (Tables 5 and 6);
- ❑ The frequencies with which various deductions and tax credits are the most important and second most important items in reducing (or eliminating) income tax (Tables 7 and 8);
- ❑ The frequencies with which various itemized deductions, tax credits, and tax preference items occur as certain percentages of income (Tables 9 and 10); and
- ❑ The distributions of effective tax rates, i.e., income tax under each definition as a percentage of income, by broad income-size classes (Tables 11 and 12).
- ❑ The odd-numbered tables use the U.S. income tax concept to classify returns as taxable or nontaxable, whereas the even-numbered tables use the worldwide income tax concept.

Size of Income

Tables 1 and 2 show the number of all returns, taxable returns, and nontaxable returns, cross classified by broad AGI and expanded-income size classes. The tables show that most returns fall in the same broad income-size class under both income concepts, but the number of nontaxable returns is generally greater in each income class over \$50,000 when income is measured by economic income rather than by AGI. Table 1 shows that 19,003 returns with no U.S. income tax had an AGI of \$200,000 or more; 32,441 returns with no U.S. income tax had an expanded income of \$200,000 or more; and 15,588 returns with no U.S. income tax had both AGI and expanded income of \$200,000 or more. Table 2 shows that 8,046 returns with no worldwide income tax had an AGI of \$200,000 or more; 16,082 returns with no worldwide income tax had expanded income of \$200,000 or more; and 4,782 returns with no worldwide income tax had both AGI and expanded income of \$200,000 or more.

Distribution of Tax Levels

Tables 3 and 4 show the distributions of high-income returns by the ratios of “adjusted” taxable income to AGI or expanded income. Taxable income was adjusted for these tables by subtracting deduction equivalents of tax credits and other items from taxable income.⁹ Thus, the tables show the extent to which AGI or expanded

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

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income, respectively, is reduced before taxes are imposed on the remaining income. The tables also illustrate three important facts about high-income tax returns. The following examples are drawn from the “expanded income” columns in Table 4 for worldwide tax:

- ❑ Only a small portion of all high-income taxpayers did not pay any income taxes (0.4 percent).
- ❑ Another group of high-income taxpayers—small, but larger than the nontaxable group—was able to offset a very substantial fraction of income before being subject to tax. This type of high-income taxpayer pays income tax equal to only a small share of his or her income. Such taxpayers may be called “nearly nontaxables.” About 0.8 percent of high expanded-income taxpayers who reported at least some worldwide tax liability were able to reduce their adjustable taxable income to less than 25 percent of their expanded income.
- ❑ Overall, most high-income taxpayers were subject to tax on a large share of their income and, consequently, reported very substantial amounts of tax. (Some 64.0 percent of high expanded-income taxpayers had adjusted taxable income equal to 80 percent or more of expanded income; and 95.6 percent had adjusted taxable income equal to 50 percent or more of expanded income.)

Tables 11 and 12 show the distributions of tax returns by tax burden. These two tables classify all tax returns by both size of income and effective tax rate, i.e., income tax as a percentage of either adjusted gross income or expanded income. These tables show that, on average, high-income taxpayers did have higher effective tax rates. The tables also illustrate the wide dispersion of effective tax rates for high-income returns. For example, Table 12 shows that, while 2.4 percent of returns with adjusted gross income of \$200,000 or more had either no worldwide income tax or worldwide income tax of less than 10 percent of adjusted gross income, 19.8 percent had effective tax rates of 25 percent or more. Some 31.3 percent also had effective tax rates between 20 and 25 percent. In contrast, only 2.9 percent of taxpayers with AGI between \$100,000 and \$200,000 had effective tax rates of 20 percent or more, including 0.1 percent with effective tax rates of 25 percent or more.

Characteristics of Tax Returns

Tables 5 and 6 show, in the aggregate, the frequencies and amounts of the types of income, the items of tax preference, and the various deductions, credits, and income taxes shown on high-income returns. By comparing the columns for nontaxable returns with those for taxable returns, some of the different characteristics of nontaxable returns can be deduced. For example, nontaxable returns under the expanded-income concept were much more likely than taxable returns to have tax-exempt interest, and when they did, the average amount was much higher. Similarly, nontaxable returns were much less likely to have any income from salaries and wages.

Reasons for Nontaxability

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

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

Due to the AMT exemption of \$72,450 on joint returns (\$47,450 on single and head-of-household returns and \$36,225 on returns of married taxpayers filing separately), a return could have been nontaxable even though it included some items that produced AMT adjustments or preferences.¹⁰ Further, since the starting point for “alternative minimum taxable income” was taxable income for regular tax purposes, a taxpayer could have adjustments and preferences exceeding the AMT exclusion without incurring AMT liability. This situation could occur if taxable income for regular tax purposes was sufficiently negative due to itemized deductions and personal exemptions exceeding AGI, such that the taxpayer’s AMT adjustments and preferences are less than

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

the sum of the AMT exclusion and the amount by which regular taxable income is below zero.

Tables 7 and 8 classify tax returns by items having the largest and second largest effects in reducing or eliminating income tax. For returns on which each of the largest effects was identified, the tables show each of the second largest effects.¹¹ For example, Table 7 shows that on taxable returns with some U.S. income tax and expanded income of \$200,000 or more, the taxes paid deduction was the most important item 53.6 percent of the time. Where this was the primary item, the interest paid deduction was the second most important item 60.2 percent of the time, and the charitable contributions deduction was the second most important item 24.4 percent of the time.

Table 8 shows that, on returns without any worldwide tax and expanded income of \$200,000 or more, the most important item in eliminating tax, on 60.0 percent of returns, was the exclusion for State and local Government interest (“tax-exempt interest”). For these returns, the itemized deduction for taxes paid was the second most important item 25.0 percent of the time, and the deduction for medical and dental expenses was the second most important reason 16.9 percent of the time.

This table also shows that the four categories with the largest effect in reducing taxes on high adjusted-gross-income returns with no worldwide income tax were the total miscellaneous deductions (2,465 returns, or 30.6 percent of the 8,043 tabulated returns with AGI of \$200,000 or more and with no worldwide tax liability); charitable contributions deduction (1,193 returns, or 14.8 percent); medical and dental expense deduction (1,103 returns, or 13.7 percent); and partnership and S corporation net losses (943 returns, or 11.7 percent). Figure E also shows these effects.

For high expanded-income returns with no worldwide income tax, four categories that most frequently had the largest effect in reducing taxes were: 1) tax-exempt interest (9,655 returns, or 60.0 percent of the 16,082 tabulated returns with expanded income of \$200,000 or more and with no worldwide tax liability); 2) medical and dental expense deductions (1,738 returns, or 10.8 percent); 3) charitable contributions deduction (1,183 returns, or 7.4 percent); and 4) partnership and S corporation net losses (1,044 returns, or 6.5 percent). Figure F also shows these effects.

Table 8 also shows that the items that most frequently had the second largest effect in reducing regular tax liability for high expanded-income returns with no worldwide tax were the deduction for taxes paid (3,434 returns, or 21.3 percent) and charitable contributions (2,308 returns, or 14.3 percent).

Tables 9 and 10 present another way of illustrating the importance of various tax provisions in reducing or eliminating income tax. Unlike Tables 7 and 8, these tables cover only nontaxable returns, i.e., returns showing no income tax liability. Tables 9 and 10 show the number of times that various items reduced income by different percentages of income. The items include the various categories of itemized deductions, deduction equivalents of four different types of tax credits, and total tax preferences excluded from income. For example, for high expanded-income returns with no worldwide income tax (Table 10), the itemized deduction for casualty or theft losses exceeded 100 percent of expanded income on 145 of the 16,082 returns, but there was no casualty or theft loss deduction on 15,749 returns.

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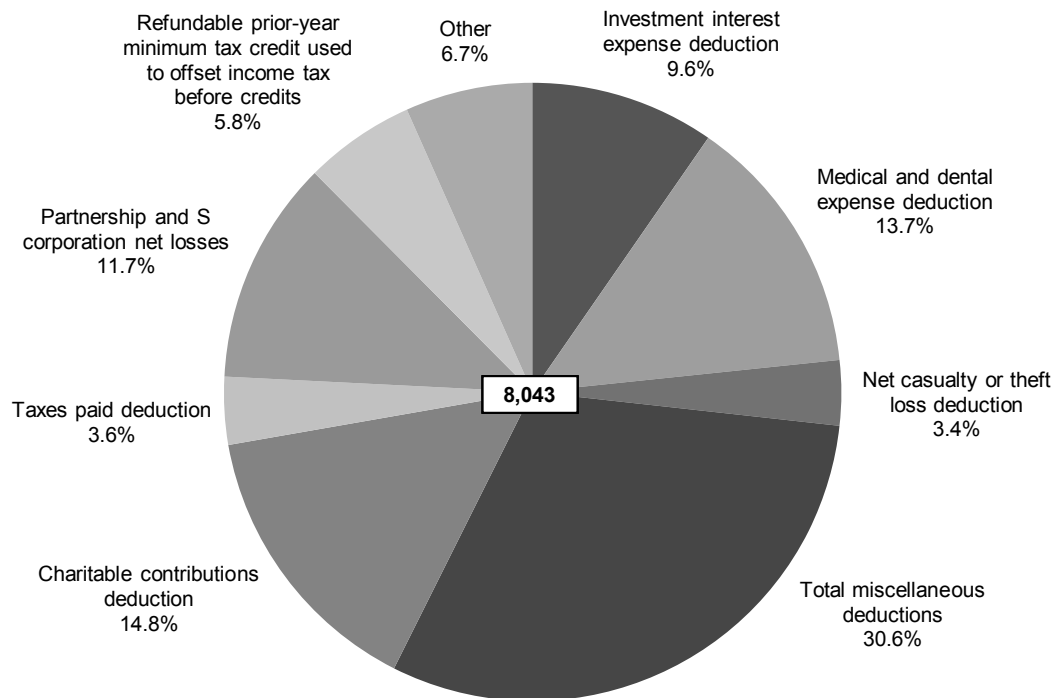
¹¹ Tax-exempt interest and the foreign-earned income exclusion were not included in Tables 7 and 8 as possible tax effects before Tax Year 1994. Thus, caution should be exercised in making comparisons between data prior to 1994 and after 1993.

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Figure E

Returns with No Worldwide Income Tax and with Adjusted Gross Income of \$200,000 or More: Primary Reasons for No Income Tax Liabilities, Tax Year 2010 [1]



[1] Does not include 3 returns where primary reason for nontaxability was not identified by the data items selected for this article.

NOTE: Detail may not add to 100 percent because of rounding.

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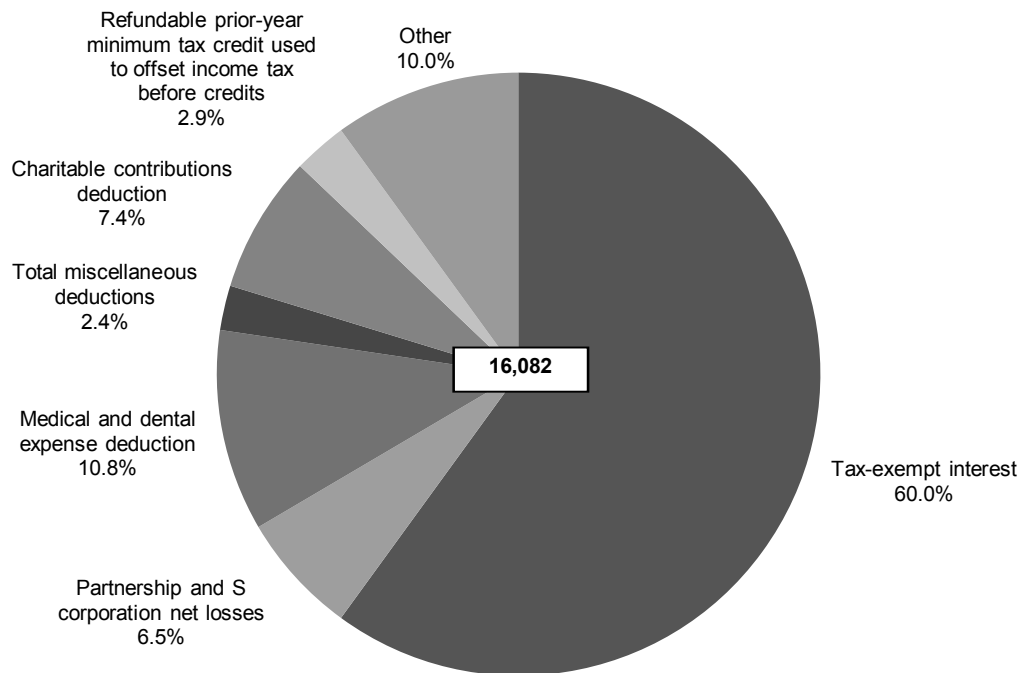
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Figure F

Returns with No Worldwide Income Tax and with Expanded Income of \$200,000 or More: Primary Reasons for No Income Tax Liabilities, Tax Year 2010



NOTE: Detail may not add to 100 percent because of rounding.

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Appendix A: Income Concepts

Congress wanted data on high-income taxpayers classified by an income concept that was more comprehensive than adjusted gross income (AGI), but that was based entirely on items already reported on income tax returns. To derive such an income concept, it was necessary to begin with a broad, inclusive concept of income. AGI must then be compared to this broad income concept, and the differences (both additions and subtractions) that can be determined from items reported on tax returns identified.

This appendix begins by defining “Haig-Simons income,” a very broad concept of income used by economists and others as a standard. AGI is then compared to Haig-Simons income, and the major differences between

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the two income concepts are listed. The next section defines “expanded income,” a more comprehensive income measure than AGI, based entirely on tax return data, and the final section explains in some detail the adjustment to income for investment interest expense.

Haig-Simons Income

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

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

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

Capital income—This includes all income from assets, including interest, dividends, rents, royalties, accrued capital gains (whether or not realized), the capital income share of self-employment income, and the rental value of consumer durables (most importantly, the rental value of owner-occupied housing). Capital income is measured in real (inflation-adjusted) terms and is net of real, economic depreciation and all other expenses (which could exceed capital income).

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

For purposes of tax analysis, H-S income should be measured on a pre-tax basis, the amount that would be earned if there were no Federal income tax in place. Most items of income are unaffected, or little affected, by the income tax and so these are reported on a pre-tax

basis. However, certain income items from tax-preferred sources may be reduced because of their preferential treatment. An example is interest from tax-exempt State and local Government bonds. The interest rate on tax-exempt bonds is generally lower than the interest rate on taxable bonds of the same maturity and risk, with the difference approximately equal to the tax rate of the typical investor in tax-exempt bonds. Thus, investors in tax-exempt bonds are effectively paying a tax, referred to as an “implicit tax,” and tax-exempt interest as reported is measured on an after-tax, rather than a pre-tax, basis. Income from all tax-preferred sources should be “grossed up” by implicit taxes to measure H-S income properly.

Adjusted Gross Income

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

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

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

AGI generally exceeds H-S income to the extent that expenses of earning income and losses are limited or disallowed. Most of the expenses of earning income are deductible from AGI in calculating taxable income, but only if the taxpayer “itemizes” deductions and then, in some cases, only to the extent that the sum of all such items exceeds 2 percent of AGI. Expenses incurred in the production of income that are itemized deductions

include certain expenses of employees (such as union dues; expenditures for items used on the job but not reimbursed by the employer; and the employees' travel, meal, and entertainment expenses); and expenses attributable to a taxpayer's (passive) investments (as opposed to active participation in a trade or business, for example), including, but not limited to, interest expense incurred in connection with investments in securities [A3]. Note that there are limits on certain types of deductible expenses. In particular, deductible meal and entertainment expenses are limited to 50 percent of total meal and entertainment expenses.

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

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

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

Expanded Income

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

Investment Interest Expense

In measuring H-S income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments, without limit. Investment expenses

Figure G

Derivation of Expanded Income from Adjusted Gross Income, Tax Years 1977–2010

Adjusted gross income (AGI)

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

EQUALS: o Expanded income

NOTE: Information on unreimbursed employee business expenses, moving expense deduction, and tax preferences for alternative minimum tax purposes are included in Appendix A, footnotes [A4] and [A5].

in excess of investment income would then represent net economic losses. However, such a liberal deduction for investment-related expenses is not necessarily correct when not all income items have been included currently. (Investment income includes interest, dividends, and capital gains.)

If all income has not been included currently, full deduction of investment expenses might represent a mismatching of receipts and expenses and might result in understating income. For example, if a taxpayer borrowed funds to purchase securities, net income would be understated if the taxpayer deducted all interest payments on the loan, but did not include as income any accrued gains on the securities. A similar mismatching of income and expenses would occur if investment expenses that should properly be capitalized were deducted when paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until the income was recognized for tax purposes.

Additional problems are created when a person with a loan has both income-producing assets, such as securities, and non-income-producing assets, such as a vacation home or yacht. It is not possible to determine

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what portion of the interest expense should be attributed to taxable income-producing assets, and therefore, ought to be deductible against the gross receipts from such taxable assets. As a result of these problems, it has been necessary to set arbitrary limits on the amount of investment expenses that are deductible in calculating expanded income.

Investment expenses that have not been deducted in determining AGI generally can appear on a Federal individual income tax return in two places. Investment interest expense is taken into account in the calculation of the itemized deduction for interest paid. Deductible investment interest expense is a separate part of the total interest deduction. Other investment expenses, such as management fees, are included in the miscellaneous category of itemized deductions [A5]. Beginning with 1987, most types of income-producing expenses included as miscellaneous itemized deductions are only deductible to the extent that their total exceeds 2 percent of AGI. To determine expenses that should be deductible in calculating an approximation of H-S income, investment expenses have been defined as deductible investment interest expense. Other investment expenses could not be separated from the remainder of miscellaneous deductions. Hence, they have not been used in the adjustment for investment expenses.

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

Notes to Appendix A

[A1] Haig, Robert M. (ed.), *The Federal Income Tax*, Columbia University Press, 1921, and Simons, Henry C., *Personal Income Taxation*, University of Chicago Press, 1938.

[A2] Borrowers receive income due to inflation because the real value of debt is reduced by inflation. Even though inflation may be anticipated and reflected in interest rates, tax deductions for nominal interest

payments overstate interest costs because part of these payments represent a return of principal to the lender, rather than interest.

[A3] See references and footnote A4.

[A4] For 1977, 50 percent of net long-term capital gains were included in AGI. During 1978, the inclusion ratio was changed to 40 percent. This inclusion ratio remained unchanged through 1986. Beginning with 1987, there was no exclusion allowed for capital gains in computing AGI, and, thus, this adjustment was not made in computing expanded income for returns for years after 1986.

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

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

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

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

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

Appendix B: Tax Concepts

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

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

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

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

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

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

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

Two Tax Concepts

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

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

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

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

Using this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated may affect the value of their

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Figure H

Derivation of "U.S. Income Tax" and "Worldwide Income Tax," Tax Year 2010

Tax at regular rates (tax generated)

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

deduction equivalents. Because the tax rate schedules are progressive, with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first, unless all relevant taxable income amounts are within a single tax-rate bracket.

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

Unaudited Data

Tax return data used for Statistics of Income have been tabulated as they were reported on tax returns filed with the Internal Revenue Service (IRS). Certain obvious arithmetic errors have been corrected and certain adjustments have been made to achieve consistent statistical definitions. Otherwise, the data have not been altered. In

particular, the data do not reflect any changes that either may have or could have been made because of IRS audits. While this is true of data throughout the entire Statistics of Income program, it is particularly relevant for high-income tax returns. Because of the greater complexity of these returns, there is a higher probability of error and more scope for disagreement about the proper interpretation of tax laws.

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

Notes to Appendix B

- [B1] An exception is that certain income earned abroad may be excluded from AGI. Any foreign taxes paid on such income are not creditable against U.S. income tax. The tables in this article include such excluded income in expanded income. Foreign taxes paid on such income are reflected in worldwide income tax, as discussed later.
- [B2] Although the foreign tax credit is an item of tax preference for AMT purposes, taxpayers below the AMT exclusion thresholds, or with preferences or deductions not subject to AMT, could completely offset pre-credit U.S. income tax liability with foreign tax credits.
- [B3] Where foreign tax rates exceed U.S. rates, foreign tax credits will be less than foreign tax liabilities. In such cases, using foreign tax credits as a proxy for foreign tax liabilities understates worldwide income tax liability. In other cases, when foreign tax credits are for taxes paid on income from previous years, use of foreign tax credits as a proxy may overstate or understate worldwide taxes on current-year income.

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Table 1. Returns With and Without U.S. Income Tax: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2010

[All figures are estimates based on samples]

Returns by tax status, size of expanded income	All returns	Returns by size of adjusted gross income			
		Under \$50,000 [1]	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total	142,892,051	94,065,541	30,532,552	13,997,651	4,296,307
Under \$50,000 [1]	91,885,355	91,176,800	695,859	8,600	4,096
\$50,000 under \$100,000	32,647,401	2,813,634	29,413,493	417,740	2,534
\$100,000 under \$200,000	14,011,538	69,468	414,325	13,443,839	83,906
\$200,000 or more	4,347,756	5,639	8,875	127,471	4,205,770
Returns with U.S. income tax					
Total	84,475,933	38,177,270	28,151,152	13,870,207	4,277,304
Under \$50,000 [1]	36,581,589	36,057,953	517,947	3,677	2,011
\$50,000 under \$100,000	29,746,049	2,089,662	27,245,288	408,974	2,125
\$100,000 under \$200,000	13,832,981	27,650	382,749	13,339,597	82,985
\$200,000 or more	4,315,315	2,005	5,168	117,959	4,190,182
Returns without U.S. income tax					
Total	58,416,118	55,888,271	2,381,400	127,444	19,003
Under \$50,000 [1]	55,303,767	55,118,847	177,912	4,923	2,085
\$50,000 under \$100,000	2,901,352	723,972	2,168,205	8,766	409
\$100,000 under \$200,000	178,558	41,818	31,576	104,242	921
\$200,000 or more	32,441	3,634	3,707	9,512	15,588

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

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

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Table 2. Returns With and Without Worldwide Income Tax: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2010

[All figures are estimates based on samples]

Returns by tax status, size of expanded income	All returns	Returns by size of adjusted gross income			
		Under \$50,000 [1]	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total	142,892,051	94,065,541	30,532,552	13,997,651	4,296,307
Under \$50,000 [1]	91,885,355	91,176,800	695,859	8,600	4,096
\$50,000 under \$100,000	32,647,401	2,813,634	29,413,493	417,740	2,534
\$100,000 under \$200,000	14,011,538	69,468	414,325	13,443,839	83,906
\$200,000 or more	4,347,756	5,639	8,875	127,471	4,205,770
Returns with worldwide income tax					
Total	84,897,232	38,439,301	28,274,343	13,895,326	4,288,261
Under \$50,000 [1]	36,813,682	36,288,983	519,002	3,677	2,020
\$50,000 under \$100,000	29,878,188	2,111,239	27,355,782	409,020	2,146
\$100,000 under \$200,000	13,873,688	36,849	393,705	13,360,028	83,106
\$200,000 or more	4,331,674	2,230	5,854	122,601	4,200,989
Returns without worldwide income tax					
Total	57,994,819	55,626,241	2,258,209	102,324	8,046
Under \$50,000 [1]	55,071,673	54,887,817	176,857	4,923	2,076
\$50,000 under \$100,000	2,769,214	702,395	2,057,711	8,720	388
\$100,000 under \$200,000	137,850	32,619	20,620	83,812	800
\$200,000 or more	16,082	3,409	3,021	4,870	4,782

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

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

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Table 3. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept, Tax Year 2010

[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income concept			Expanded income concept		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	4,296,307	100.0	100.0	4,347,756	100.0	100.0
Returns without U.S. income tax	19,003	0.4	0.4	32,441	0.7	0.7
Returns with U.S. income tax: Total	4,277,304	99.6	N/A	4,315,315	99.3	N/A
Ratio of adjusted taxable income to income per concept:						
Over 0 under 5 percent	10,036	0.2	0.2	12,817	0.3	0.3
5 under 10 percent	6,831	0.2	0.4	12,076	0.3	0.6
10 under 15 percent	7,842	0.2	0.6	10,499	0.2	0.8
15 under 20 percent	6,964	0.2	0.7	10,727	0.2	1.1
20 under 25 percent	9,090	0.2	0.9	14,063	0.3	1.4
25 under 30 percent	11,988	0.3	1.2	20,072	0.5	1.8
30 under 35 percent	16,385	0.4	1.6	21,843	0.5	2.3
35 under 40 percent	17,976	0.4	2.0	27,408	0.6	3.0
40 under 45 percent	31,074	0.7	2.8	41,772	1.0	3.9
45 under 50 percent	47,555	1.1	3.9	55,575	1.3	5.2
50 under 60 percent	144,874	3.4	7.2	161,837	3.7	8.9
60 under 70 percent	295,248	6.9	14.1	308,143	7.1	16.0
70 under 80 percent	919,700	21.4	35.5	926,282	21.3	37.3
80 percent or more	2,751,742	64.0	99.6	2,692,201	61.9	99.3

N/A—Not applicable.

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

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Table 4. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept, Tax Year 2010

[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income concept			Expanded income concept		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	4,296,307	100.0	100.0	4,347,756	100.0	100.0
Returns without worldwide income tax	8,046	0.2	0.2	16,082	0.4	0.4
Returns with worldwide income tax: Total	4,288,261	99.8	N/A	4,331,674	99.6	N/A
Ratio of adjusted taxable income to income per concept:						
Over 0 under 5 percent	4,921	0.1	0.1	5,729	0.1	0.1
5 under 10 percent	3,027	0.1	0.2	6,194	0.1	0.3
10 under 15 percent	3,897	0.1	0.3	5,976	0.1	0.4
15 under 20 percent	2,595	0.1	0.3	6,229	0.1	0.6
20 under 25 percent	6,889	0.2	0.5	11,115	0.3	0.8
25 under 30 percent	8,768	0.2	0.7	14,109	0.3	1.1
30 under 35 percent	11,070	0.3	1.0	17,168	0.4	1.5
35 under 40 percent	15,207	0.4	1.3	22,589	0.5	2.0
40 under 45 percent	27,583	0.6	2.0	37,204	0.9	2.9
45 under 50 percent	43,979	1.0	3.0	50,441	1.2	4.1
50 under 60 percent	137,541	3.2	6.2	152,313	3.5	7.6
60 under 70 percent	283,734	6.6	12.8	300,043	6.9	14.5
70 under 80 percent	911,021	21.2	34.0	919,675	21.2	35.6
80 percent or more	2,828,031	65.8	99.8	2,782,888	64.0	99.6

N/A—Not applicable.

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

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Table 5. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2010

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept						
Salaries and wages	3,816,233	1,170,805,368	3,803,333	1,165,906,915	12,900	4,898,453
Business or profession:						
Net income	796,239	88,353,671	793,707	87,959,166	2,533	394,505
Net loss	268,008	6,673,914	266,596	6,502,159	1,412	171,755
Farm:						
Net income	30,225	2,374,630	30,107	2,367,427	118	7,204
Net loss	77,898	3,519,064	77,432	3,469,755	466	49,309
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,288,293	424,513,116	1,285,022	421,800,843	3,271	2,712,273
Net loss	400,777	37,393,609	396,430	35,657,315	4,347	1,736,294
Sales of capital assets:						
Net gain	1,181,184	326,258,280	1,175,267	324,091,319	5,916	2,166,961
Net loss	1,633,206	4,235,535	1,626,025	4,215,961	7,181	19,573
Sales of property other than capital assets:						
Net gain	169,292	9,155,100	167,665	9,082,493	1,627	72,607
Net loss	262,329	5,083,591	260,345	4,910,614	1,984	172,977
Taxable interest received	3,854,642	62,826,594	3,838,572	61,595,250	16,070	1,231,343
Tax-exempt interest	1,245,455	39,233,510	1,239,301	38,645,316	6,154	588,194
Dividends	3,019,584	106,787,486	3,006,220	105,153,089	13,363	1,634,397
Qualified dividends	2,852,582	85,993,946	2,840,588	84,801,869	11,995	1,192,077
Pensions and annuities in adjusted gross income	945,595	48,320,205	942,530	48,143,722	3,065	176,483
Rent:						
Net income	444,538	22,998,637	442,537	22,875,024	2,001	123,612
Net loss, total (deductible and nondeductible)	611,244	12,714,863	607,791	12,549,775	3,452	165,088
Nondeductible rental loss	481,078	8,855,683	478,374	8,768,411	2,704	87,272
Royalty:						
Net income	275,704	11,252,361	273,335	11,103,856	2,370	148,506
Net loss	11,674	118,805	11,545	117,816	130	989
Estate or trust:						
Net income	106,545	15,899,449	105,842	15,753,788	703	145,661
Net loss	14,191	1,113,203	13,972	1,043,777	219	69,426
State income tax refunds	1,508,460	8,784,248	1,504,912	8,667,505	3,548	116,743
Alimony received	6,375	1,061,542	6,353	1,058,060	22	3,482
Social Security benefits in adjusted gross income	672,637	15,635,131	668,898	15,552,667	3,739	82,464
Social Security benefits (nontaxable)	672,821	2,786,397	669,037	2,771,173	3,784	15,224
Unemployment compensation	159,372	1,539,617	159,173	1,537,520	199	2,097
Other income	607,501	20,746,772	603,623	20,391,611	3,878	355,161
Other loss	41,704	1,776,141	39,952	1,700,361	1,752	75,780
Foreign-earned income exclusion	40,598	3,449,286	35,442	2,957,313	5,155	491,973
Total income	4,296,307	2,317,745,635	4,277,304	2,305,307,668	19,003	12,437,967
Statutory adjustments, total	1,784,965	38,503,407	1,779,422	38,244,490	5,543	258,917
Payments to Individual Retirement Arrangements	110,402	969,877	110,039	967,050	362	2,827
Payments to self-employed retirement (Keogh) plans	378,317	12,505,198	377,838	12,485,095	479	20,103
Moving expenses adjustment	43,105	303,364	42,969	302,206	136	1,158
Adjusted gross income	4,296,307	2,279,242,228	4,277,304	2,267,063,178	19,003	12,179,050

Footnotes at end of table.

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Table 5. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2010—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept—Continued						
Investment interest expense deduction	591,856	11,857,709	586,724	11,101,791	5,132	755,919
Total tax preferences excluded from adjusted gross income [2]	1,255,817	40,502,807	1,249,589	39,929,818	6,228	572,989
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	24,404	1,376,038	24,201	1,369,507	203	6,531
Passive activity loss (alternative minimum tax adjustment)	519,369	308,394	516,818	319,836	2,550	-11,442
Expanded income	4,296,170	2,296,945,102	4,277,304	2,286,374,744	18,866	10,570,358
Exemption amount	4,293,912	46,001,645	4,274,931	45,828,372	18,981	173,274
Itemized deductions:						
Total per adjusted gross income concept	4,120,053	339,631,406	4,105,997	333,430,703	14,057	6,200,703
Charitable contributions deduction	3,855,638	69,072,446	3,844,562	67,583,037	11,076	1,489,410
Interest paid deduction:						
Total per adjusted gross income concept	3,434,601	78,372,304	3,423,775	77,344,311	10,825	1,027,993
Total home mortgage interest	3,281,014	66,216,552	3,271,843	65,945,646	9,170	270,905
Medical and dental expense deduction	115,031	3,168,185	112,886	2,868,722	2,145	299,463
Net casualty or theft loss deduction	4,034	427,238	3,727	203,140	307	224,098
Taxes paid deduction	4,116,651	162,703,744	4,103,544	161,891,713	13,107	812,031
Net limited miscellaneous deductions per adjusted gross income concept	616,594	14,782,347	611,779	14,350,084	4,814	432,263
Non-limited miscellaneous deductions	237,212	11,419,375	233,077	9,499,496	4,135	1,919,879
Excess of exemptions and deductions over adjusted gross income	8,305	2,123,650	3,367	746,786	4,938	1,376,864
Taxable income	4,287,991	1,893,796,764	4,273,937	1,886,662,166	14,054	7,134,598
Tax at regular rates	4,283,645	488,165,607	4,271,420	486,162,592	12,225	2,003,015
Alternative minimum tax (Form 6251)	3,031,079	25,210,054	3,029,749	25,197,590	1,329	12,464
Income tax before credits	4,289,686	513,375,894	4,277,304	511,360,414	12,382	2,015,480
Tax credits, total	2,249,773	16,807,821	2,237,391	14,792,341	12,382	2,015,480
Child care credit	361,406	191,394	361,229	191,321	177	73
Minimum tax credit	81,766	439,309	80,557	421,601	1,209	17,708
Foreign tax credit	1,502,448	13,225,364	1,491,490	11,303,209	10,958	1,922,155
General business credit	183,163	1,626,852	182,406	1,614,472	757	12,380
Refundable prior-year minimum tax credit used to offset income tax before credits	172,076	453,411	170,535	398,104	1,541	55,307
All other refundable credits used to offset income tax before credits	9,509	57,085	** 9,509	** 57,085	**	**
U.S. total income tax	4,277,304	496,571,091	4,277,304	496,571,091	0	0
Taxable income which would yield:						
Income tax before credits	4,289,686	1,781,278,075	4,277,304	1,774,696,909	12,382	6,581,166
Income tax after credits	4,277,304	1,730,306,891	4,277,304	1,730,306,891	0	0
U.S. total income tax	4,277,304	1,730,315,514	4,277,304	1,730,315,514	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	4,296,307	2,279,242,228	4,277,304	2,267,063,178	19,003	12,179,050
plus: Total tax preferences excluded from adjusted gross income [2]	1,255,817	40,502,807	1,249,589	39,929,818	6,228	572,989
Social Security benefits (nontaxable)	672,821	2,786,397	669,037	2,771,173	3,784	15,224
Foreign-earned income exclusion	40,598	3,449,286	35,442	2,957,313	5,155	491,973
minus: Investment interest expense deduction	591,856	11,857,709	586,724	11,101,791	5,132	755,919
Non-limited miscellaneous deductions	237,212	11,419,375	233,077	9,499,496	4,135	1,919,879
Unreimbursed employee business expenses	805,302	5,758,532	804,309	5,745,451	993	13,081
Equals: Expanded income	4,296,170	2,296,945,102	4,277,304	2,286,374,744	18,866	10,570,358

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 5. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2010—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept						
Salaries and wages	3,813,518	1,168,199,762	3,794,702	1,162,206,458	18,816	5,993,303
Business or profession:						
Net income	799,869	88,741,315	796,348	88,288,676	3,520	452,640
Net loss	268,307	6,684,297	266,308	6,488,845	1,999	195,452
Farm:						
Net income	30,509	2,390,942	30,354	2,383,626	155	7,317
Net loss	78,364	3,540,505	77,735	3,473,916	629	66,589
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,305,239	425,114,748	1,300,231	422,452,107	5,008	2,662,640
Net loss	413,454	37,726,026	406,174	35,932,018	7,280	1,794,008
Sales of capital assets:						
Net gain	1,201,614	326,160,340	1,192,972	324,327,333	8,641	1,833,007
Net loss	1,684,246	4,387,620	1,668,424	4,343,474	15,822	44,146
Sales of property other than capital assets:						
Net gain	173,297	9,136,665	170,836	9,061,183	2,461	75,481
Net loss	267,061	5,117,982	263,812	4,958,043	3,249	159,939
Taxable interest received	3,917,567	63,688,884	3,889,063	62,510,031	28,504	1,178,853
Tax-exempt interest	1,336,353	49,295,563	1,319,071	45,447,030	17,282	3,848,533
Dividends	3,095,236	109,917,045	3,069,733	107,725,401	25,502	2,191,644
Qualified dividends	2,926,199	88,362,879	2,903,236	86,753,319	22,962	1,609,560
Pensions and annuities in adjusted gross income	983,897	50,372,369	977,933	50,138,874	5,965	233,495
Rent:						
Net income	456,708	23,277,684	453,720	23,148,117	2,988	129,567
Net loss, total (deductible and nondeductible)	610,378	12,682,068	605,300	12,483,968	5,078	198,100
Nondeductible rental loss	478,857	8,815,828	475,367	8,711,615	3,490	104,213
Royalty:						
Net income	288,565	11,405,666	284,434	11,249,909	4,131	155,756
Net loss	12,511	120,478	12,238	118,463	273	2,015
Estate or trust:						
Net income	111,892	16,110,867	110,455	15,963,776	1,437	147,091
Net loss	14,741	1,081,774	14,360	1,039,454	381	42,320
State income tax refunds	1,519,014	8,849,146	1,513,200	8,721,317	5,814	127,829
Alimony received	6,087	1,011,838	6,050	1,007,622	37	4,216
Social Security benefits in adjusted gross income	740,203	17,302,502	730,603	17,095,021	9,600	207,481
Social Security benefits (nontaxable)	740,408	3,081,416	730,743	3,043,381	9,665	38,035
Unemployment compensation	155,085	1,496,895	154,845	1,494,044	240	2,850
Other income	617,744	20,675,222	611,633	20,356,061	6,112	319,161
Other loss	51,241	2,055,079	48,194	1,951,622	3,048	103,457
Foreign-earned income exclusion	70,154	6,306,537	59,953	5,256,107	10,200	1,050,431
Total income	4,346,774	2,317,977,418	4,314,333	2,305,829,771	32,440	12,147,647
Statutory adjustments, total	1,793,531	38,743,479	1,785,622	38,458,897	7,909	284,582
Payments to Individual Retirement Arrangements	112,956	989,004	112,346	984,360	610	4,644
Payments to self-employed retirement (Keogh) plans	382,138	12,605,873	381,545	12,583,020	593	22,853
Moving expenses adjustment	42,849	291,443	42,656	289,945	193	1,497
Adjusted gross income	4,346,774	2,279,233,939	4,314,333	2,267,370,874	32,440	11,863,065
Investment interest expense deduction	594,754	11,012,872	588,114	10,730,682	6,639	282,190
Total tax preferences excluded from adjusted gross income [2]	1,347,937	51,104,512	1,330,598	47,254,227	17,339	3,850,285
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	26,275	1,864,957	25,968	1,856,123	307	8,834

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 5. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2010—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept—Continued						
Passive activity loss (alternative minimum tax adjustment)	530,495	344,439	526,328	355,310	4,167	-10,871
Expanded income	4,347,756	2,317,916,754	4,315,315	2,301,484,428	32,441	16,432,326
Exemption amount	4,345,341	46,164,840	4,312,942	45,880,760	32,399	284,080
Itemized deductions:						
Total per adjusted gross income concept	4,147,804	334,615,375	4,124,434	329,850,702	23,371	4,764,673
Total per expanded income concept	4,147,585	315,317,087	4,124,270	310,906,507	23,315	4,410,580
Charitable contributions deduction	3,884,366	69,605,036	3,865,008	67,971,860	19,358	1,633,177
Interest paid deduction:						
Total per adjusted gross income concept	3,418,998	76,934,961	3,403,968	76,331,777	15,030	603,183
Total per expanded income concept	3,265,149	65,922,088	3,253,058	65,601,095	12,090	320,993
Total home mortgage interest	3,256,835	65,626,163	3,244,810	65,306,575	12,025	319,588
Medical and dental expense deduction	144,320	3,918,910	135,387	3,330,174	8,933	588,736
Net casualty or theft loss deduction	4,071	425,737	3,725	200,132	346	225,605
Taxes paid deduction	4,142,575	163,434,641	4,120,775	162,387,381	21,800	1,047,260
Net limited miscellaneous deductions per adjusted gross income concept	601,949	14,681,727	589,519	14,078,526	12,429	603,201
Non-limited miscellaneous deductions	216,804	5,925,425	213,716	5,858,139	3,088	67,286
Excess of exemptions and deductions over adjusted gross income	14,826	1,915,410	5,289	874,187	9,537	1,041,223
Taxable income	4,332,924	1,898,192,238	4,310,026	1,890,423,890	22,898	7,768,349
Tax at regular rates	4,325,081	489,080,208	4,307,336	486,926,169	17,745	2,154,039
Alternative minimum tax (Form 6251)	3,019,295	25,311,247	3,017,631	25,298,887	1,664	12,360
Income tax before credits	4,333,505	514,391,688	4,315,315	512,225,289	18,190	2,166,399
Tax credits, total	2,305,349	17,281,269	2,287,159	15,114,870	18,190	2,166,399
Child care credit	355,651	187,560	355,375	187,459	276	100
Minimum tax credit	87,476	445,889	86,067	429,884	1,409	16,005
Foreign tax credit	1,563,513	13,688,731	1,547,167	11,614,640	16,346	2,074,092
General business credit	184,761	1,623,897	183,968	1,612,112	793	11,786
Refundable prior-year minimum tax credit used to offset income tax before credits	173,318	455,146	171,801	399,965	1,517	55,181
All other refundable credits used to offset income tax before credits	27,189	61,828	27,044	61,778	* 145	* 50
U.S. total income tax	4,315,315	497,113,437	4,315,315	497,113,437	0	0
Taxable income which would yield:						
Income tax before credits	4,333,505	1,785,891,214	4,315,315	1,778,622,070	18,190	7,269,144
Income tax after credits	4,315,315	1,732,939,084	4,315,315	1,732,939,084	0	0
U.S. total income tax	4,315,315	1,732,947,707	4,315,315	1,732,947,707	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	4,346,774	2,279,233,939	4,314,333	2,267,370,874	32,440	11,863,065
plus: Total tax preferences excluded from adjusted gross income [2]	1,347,937	51,104,512	1,330,598	47,254,227	17,339	3,850,285
Social Security benefits (nontaxable)	740,408	3,081,416	730,743	3,043,381	9,665	38,035
Foreign-earned income exclusion	70,154	6,306,537	59,953	5,256,107	10,200	1,050,431
minus: Investment interest expense deduction	594,754	11,012,872	588,114	10,730,682	6,639	282,190
Non-limited miscellaneous deductions	216,804	5,925,425	213,716	5,858,139	3,088	67,286
Unreimbursed employee business expenses	753,300	4,854,869	751,742	4,844,463	1,558	10,406
Equals: Expanded income	4,347,756	2,317,916,754	4,315,315	2,301,484,428	32,441	16,432,326

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

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

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

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Table 6. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2010

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept						
Salaries and wages	3,816,233	1,170,805,368	3,812,437	1,170,277,809	3,796	527,559
Business or profession:						
Net income	796,239	88,353,671	794,986	88,248,277	1,254	105,394
Net loss	268,008	6,673,914	267,092	6,539,211	916	134,703
Farm:						
Net income	30,225	2,374,630	30,132	2,368,096	93	6,534
Net loss	77,898	3,519,064	77,599	3,483,181	299	35,883
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,288,293	424,513,116	1,286,275	424,196,070	2,018	317,047
Net loss	400,777	37,393,609	397,591	35,957,165	3,186	1,436,445
Sales of capital assets:						
Net gain	1,181,184	326,258,280	1,177,925	325,102,910	3,259	1,155,370
Net loss	1,633,206	4,235,535	1,629,913	4,226,082	3,293	9,453
Sales of property other than capital assets:						
Net gain	169,292	9,155,100	168,155	9,095,094	1,136	60,006
Net loss	262,329	5,083,591	260,940	4,935,116	1,389	148,475
Taxable interest received	3,854,642	62,826,594	3,847,417	61,947,161	7,226	879,433
Tax-exempt interest	1,245,455	39,233,510	1,241,497	38,738,615	3,958	494,895
Dividends	3,019,584	106,787,486	3,013,488	106,034,674	6,096	752,813
Qualified dividends	2,852,582	85,993,946	2,846,758	85,441,637	5,824	552,308
Pensions and annuities in adjusted gross income	945,595	48,320,205	943,649	48,234,108	1,946	86,097
Rent:						
Net income	444,538	22,998,637	443,432	22,926,300	1,105	72,336
Net loss, total (deductible and nondeductible)	611,244	12,714,863	609,784	12,608,941	1,460	105,922
Nondeductible rental loss	481,078	8,855,683	480,073	8,808,558	1,006	47,125
Royalty:						
Net income	275,704	11,252,361	273,948	11,149,973	1,756	102,388
Net loss	11,674	118,805	11,588	118,065	86	739
Estate or trust:						
Net income	106,545	15,899,449	105,999	15,814,625	546	84,823
Net loss	14,191	1,113,203	14,014	1,057,115	177	56,088
State income tax refunds	1,508,460	8,784,248	1,506,326	8,731,351	2,134	52,897
Alimony received	6,375	1,061,542	6,363	1,059,470	12	2,072
Social Security benefits in adjusted gross income	672,637	15,635,131	669,591	15,567,563	3,046	67,568
Social Security benefits (nontaxable)	672,821	2,786,397	669,775	2,774,473	3,046	11,924
Unemployment compensation	159,372	1,539,617	159,230	1,538,119	142	1,499
Other income	607,501	20,746,772	605,190	20,600,082	2,311	146,690
Other loss	41,704	1,776,141	41,558	1,761,367	146	14,775
Foreign-earned income exclusion	40,598	3,449,286	40,589	3,448,624	9	662
Total income	4,296,307	2,317,745,635	4,288,261	2,314,171,792	8,046	3,573,843
Statutory adjustments, total	1,784,965	38,503,407	1,781,456	38,441,582	3,510	61,824
Payments to Individual Retirement Arrangements	110,402	969,877	110,289	968,953	113	924
Payments to self-employed retirement (Keogh) plans	378,317	12,505,198	378,014	12,491,669	303	13,530
Moving expenses adjustment	43,105	303,364	43,092	303,233	13	131
Adjusted gross income	4,296,307	2,279,242,228	4,288,261	2,275,730,210	8,046	3,512,019

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 6. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2010—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept—Continued						
Investment interest expense deduction	591,856	11,857,709	588,187	11,168,064	3,670	689,645
Total tax preferences excluded from adjusted gross income [2]	1,255,817	40,502,807	1,251,812	40,007,925	4,006	494,881
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	24,404	1,376,038	24,259	1,369,926	145	6,112
Passive activity loss (alternative minimum tax adjustment)	519,369	308,394	517,684	316,805	1,684	-8,411
Expanded income	4,296,170	2,296,945,102	4,288,261	2,295,511,672	7,909	1,433,430
Exemption amount	4,293,912	46,001,645	4,285,874	45,931,949	8,039	69,696
Itemized deductions:						
Total per adjusted gross income concept	4,120,053	339,631,406	4,112,028	335,096,670	8,025	4,534,736
Charitable contributions deduction	3,855,638	69,072,446	3,848,882	68,573,895	6,756	498,551
Interest paid deduction:						
Total per adjusted gross income concept	3,434,601	78,372,304	3,428,741	77,514,768	5,859	857,536
Total home mortgage interest	3,281,014	66,216,552	3,276,254	66,049,327	4,759	167,225
Medical and dental expense deduction	115,031	3,168,185	113,115	2,878,948	1,916	289,237
Net casualty or theft loss deduction	4,034	427,238	3,737	204,926	297	222,312
Taxes paid deduction	4,116,651	162,703,744	4,108,726	162,303,518	7,926	400,226
Net limited miscellaneous deductions per adjusted gross income concept	616,594	14,782,347	612,988	14,402,710	3,605	379,637
Non-limited miscellaneous deductions	237,212	11,419,375	233,646	9,531,080	3,566	1,888,295
Excess of exemptions and deductions over adjusted gross income	8,305	2,123,650	3,371	746,923	4,934	1,376,727
Taxable income	4,287,991	1,893,796,764	4,284,891	1,893,514,105	3,100	282,659
Tax at regular rates	4,283,645	488,165,607	4,282,377	488,120,573	1,267	45,034
Alternative minimum tax (Form 6251)	3,031,079	25,210,054	3,030,322	25,201,736	757	8,318
Income tax before credits	4,289,686	513,375,894	4,288,261	513,322,541	1,424	53,353
Tax credits, total	2,249,773	16,807,821	2,248,348	16,754,468	1,424	53,353
Child care credit	361,406	191,394	361,371	191,375	35	19
Minimum tax credit	81,766	439,309	81,468	430,353	298	8,956
Foreign tax credit	0	0	0	0	0	0
General business credit	183,163	1,626,852	182,730	1,620,513	433	6,339
Refundable prior-year minimum tax credit used to offset income tax before credits	172,076	453,411	171,501	419,346	574	34,065
All other refundable credits used to offset income tax before credits	9,509	57,085	** 9,509	** 57,085	**	**
Worldwide total income tax	4,288,261	510,649,030	4,288,261	510,649,030	0	0
Foreign taxes paid	1,502,488	14,077,939	1,502,488	14,077,939	0	0
Foreign taxes paid on excluded foreign-earned income (Form 1116)	28,593	852,575	28,593	852,575	0	0
Taxable income which would yield:						
Income tax before credits	4,289,686	1,781,278,075	4,288,261	1,781,053,576	1,424	224,500
Income tax after credits	4,288,261	1,772,705,631	4,288,261	1,772,705,631	0	0
Worldwide total income tax	4,288,261	1,772,714,255	4,288,261	1,772,714,255	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	4,296,307	2,279,242,228	4,288,261	2,275,730,210	8,046	3,512,019
plus: Total tax preferences excluded from adjusted gross income [2]	1,255,817	40,502,807	1,251,812	40,007,925	4,006	494,881
Social Security benefits (nontaxable)	672,821	2,786,397	669,775	2,774,473	3,046	11,924
Foreign-earned income exclusion	40,598	3,449,286	40,589	3,448,624	9	662
minus: Investment interest expense deduction	591,856	11,857,709	588,187	11,168,064	3,670	689,645
Non-limited miscellaneous deductions	237,212	11,419,375	233,646	9,531,080	3,566	1,888,295
Unreimbursed employee business expenses	805,302	5,758,532	804,830	5,750,417	473	8,116
Equals: Expanded income	4,296,170	2,296,945,102	4,288,261	2,295,511,672	7,909	1,433,430

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 6. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2010—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept						
Salaries and wages	3,813,518	1,168,199,762	3,808,603	1,167,655,149	4,915	544,613
Business or profession:						
Net income	799,869	88,741,315	798,166	88,634,406	1,703	106,910
Net loss	268,307	6,684,297	266,975	6,529,256	1,332	155,041
Farm:						
Net income	30,509	2,390,942	30,386	2,385,013	123	5,929
Net loss	78,364	3,540,505	77,936	3,488,011	428	52,494
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,305,239	425,114,748	1,301,810	424,856,330	3,430	258,418
Net loss	413,454	37,726,026	407,662	36,245,088	5,792	1,480,938
Sales of capital assets:						
Net gain	1,201,614	326,160,340	1,196,394	325,341,616	5,220	818,724
Net loss	1,684,246	4,387,620	1,674,167	4,358,371	10,079	29,249
Sales of property other than capital assets:						
Net gain	173,297	9,136,665	171,401	9,074,107	1,896	62,558
Net loss	267,061	5,117,982	264,538	4,985,356	2,523	132,625
Taxable interest received	3,917,567	63,688,884	3,901,935	62,878,290	15,632	810,594
Tax-exempt interest	1,336,353	49,295,563	1,322,239	45,655,563	14,114	3,640,000
Dividends	3,095,236	109,917,045	3,080,311	108,661,101	14,924	1,255,944
Qualified dividends	2,926,199	88,362,879	2,911,909	87,429,701	14,289	933,179
Pensions and annuities in adjusted gross income	983,897	50,372,369	979,507	50,242,336	4,390	130,033
Rent:						
Net income	456,708	23,277,684	454,957	23,203,327	1,751	74,357
Net loss, total (deductible and nondeductible)	610,378	12,682,068	608,168	12,558,078	2,210	123,990
Nondeductible rental loss	478,857	8,815,828	477,603	8,760,292	1,254	55,536
Royalty:						
Net income	288,565	11,405,666	285,234	11,297,526	3,331	108,139
Net loss	12,511	120,478	12,286	118,723	225	1,755
Estate or trust:						
Net income	111,892	16,110,867	110,691	16,025,930	1,200	84,938
Net loss	14,741	1,081,774	14,413	1,052,691	328	29,083
State income tax refunds	1,519,014	8,849,146	1,515,031	8,786,984	3,982	62,162
Alimony received	6,087	1,011,838	6,062	1,009,244	25	2,594
Social Security benefits in adjusted gross income	740,203	17,302,502	731,659	17,117,511	8,544	184,991
Social Security benefits (nontaxable)	740,408	3,081,416	731,860	3,048,381	8,547	33,035
Unemployment compensation	155,085	1,496,895	154,942	1,495,060	143	1,835
Other income	617,744	20,675,222	613,730	20,584,175	4,014	91,047
Other loss	51,241	2,055,079	50,889	2,035,530	352	19,549
Foreign-earned income exclusion	70,154	6,306,537	69,893	6,262,739	261	43,799
Total income	4,346,774	2,317,977,418	4,330,693	2,315,376,060	16,081	2,601,357
Statutory adjustments, total	1,793,531	38,743,479	1,788,428	38,665,571	5,104	77,908
Payments to Individual Retirement Arrangements	112,956	989,004	112,737	987,316	219	1,688
Payments to self-employed retirement (Keogh) plans	382,138	12,605,873	381,765	12,590,561	373	15,312
Moving expenses adjustment	42,849	291,443	42,835	291,324	14	118
Adjusted gross income	4,346,774	2,279,233,939	4,330,693	2,276,710,489	16,081	2,523,450
Investment interest expense deduction	594,754	11,012,872	589,868	10,790,039	4,886	222,833
Total tax preferences excluded from adjusted gross income [2]	1,347,937	51,104,512	1,333,794	47,461,747	14,143	3,642,765
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	26,275	1,864,957	26,039	1,856,956	236	8,001

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 6. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2010—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept—Continued						
Passive activity loss (alternative minimum tax adjustment)	530,495	344,439	527,484	352,327	3,010	-7,888
Expanded income	4,347,756	2,317,916,754	4,331,674	2,311,969,191	16,082	5,947,563
Exemption amount	4,345,341	46,164,840	4,329,286	46,033,990	16,055	130,850
Itemized deductions:						
Total per adjusted gross income concept	4,147,804	334,615,375	4,132,873	331,568,465	14,931	3,046,909
Total per expanded income concept	4,147,585	315,317,087	4,132,654	312,555,313	14,931	2,761,774
Charitable contributions deduction	3,884,366	69,605,036	3,870,690	68,980,338	13,675	624,699
Interest paid deduction:						
Total per adjusted gross income concept	3,418,998	76,934,961	3,410,771	76,523,580	8,227	411,380
Total per expanded income concept	3,265,149	65,922,088	3,259,168	65,733,541	5,980	188,548
Total home mortgage interest	3,256,835	65,626,163	3,250,893	65,438,454	5,942	187,709
Medical and dental expense deduction	144,320	3,918,910	136,076	3,347,732	8,244	571,178
Net casualty or theft loss deduction	4,071	425,737	3,738	202,003	333	223,734
Taxes paid deduction	4,142,575	163,434,641	4,127,704	162,817,238	14,871	617,402
Net limited miscellaneous deductions per adjusted gross income concept	601,949	14,681,727	591,478	14,141,400	10,471	540,327
Non-limited miscellaneous deductions	216,804	5,925,425	214,306	5,866,864	2,498	58,561
Excess of exemptions and deductions over adjusted gross income	14,826	1,915,410	5,308	874,468	9,518	1,040,942
Taxable income	4,332,924	1,898,192,238	4,326,366	1,897,819,034	6,558	373,204
Tax at regular rates	4,325,081	489,080,208	4,323,682	489,035,465	1,398	44,743
Alternative minimum tax (Form 6251)	3,019,295	25,311,247	3,018,240	25,303,068	1,055	8,179
Income tax before credits	4,333,505	514,391,688	4,331,661	514,338,766	1,844	52,922
Tax credits, total	2,305,349	17,281,269	2,303,505	17,228,347	1,844	52,922
Child care credit	355,651	187,560	355,617	187,539	34	21
Minimum tax credit	87,476	445,889	87,146	437,087	330	8,802
Foreign tax credit	0	0	0	0	0	0
General business credit	184,761	1,623,897	184,388	1,618,486	373	5,411
Refundable prior-year minimum tax credit used to offset income tax before credits	173,318	455,146	172,738	421,094	581	34,052
All other refundable credits used to offset income tax before credits	27,189	61,828	27,047	61,780	* 142	* 48
Worldwide total income tax	4,331,674	512,001,123	4,331,674	512,001,123	0	0
Foreign taxes paid	1,563,566	14,887,686	1,563,566	14,887,686	0	0
Foreign taxes paid on excluded foreign-earned income (Form 1116)	42,665	1,198,955	42,665	1,198,955	0	0
Taxable income which would yield:						
Income tax before credits	4,333,505	1,785,891,214	4,331,661	1,785,666,152	1,844	225,062
Income tax after credits	4,331,674	1,778,365,834	4,331,674	1,778,365,834	0	0
Worldwide total income tax	4,331,674	1,778,374,457	4,331,674	1,778,374,457	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	4,346,774	2,279,233,939	4,330,693	2,276,710,489	16,081	2,523,450
plus: Total tax preferences excluded from adjusted gross income [2]	1,347,937	51,104,512	1,333,794	47,461,747	14,143	3,642,765
Social Security benefits (nontaxable)	740,408	3,081,416	731,860	3,048,381	8,547	33,035
Foreign-earned income exclusion	70,154	6,306,537	69,893	6,262,739	261	43,799
minus: Investment interest expense deduction	594,754	11,012,872	589,868	10,790,039	4,886	222,833
Non-limited miscellaneous deductions	216,804	5,925,425	214,306	5,866,864	2,498	58,561
Unreimbursed employee business expenses	753,300	4,854,869	752,507	4,850,385	793	4,483
Equals: Expanded income	4,347,756	2,317,916,754	4,331,674	2,311,969,191	16,082	5,947,563

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

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

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETURNS WITH U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	4,184,154	100.0	996,356	23.8	24,279	0.6	2,380,316	56.9
Interest paid deduction	1,545,075	36.9	0	0.0	4,547	18.7	1,397,652	58.7
Investment interest expense deduction [1]	36,300	0.9	3,745	0.4	0	0.0	22,295	0.9
Taxes paid deduction	1,348,970	32.2	913,875	91.7	13,219	54.4	0	0.0
Charitable contributions deduction	752,725	18.0	47,632	4.8	2,415	9.9	668,166	28.1
Medical and dental expense deduction	23,967	0.6	** 3,212	** 0.3	4	[2]	13,814	0.6
Net casualty or theft loss deduction	1,216	[2]	**	**	0	0.0	309	[2]
Total miscellaneous deductions	138,812	3.3	13,839	1.4	1,501	6.2	99,567	4.2
Foreign tax credit	56,523	1.4	506	0.1	288	1.2	37,966	1.6
General business credit	22,451	0.5	1,735	0.2	63	0.3	17,308	0.7
Refundable prior-year minimum tax credit used to offset income tax before credits	11,630	0.3	43	[2]	27	0.1	9,043	0.4
All other refundable tax credits used to offset income tax before credits	2,748	0.1	778	0.1	0	0.0	1,040	[2]
All other tax credits	48,314	1.2	2,702	0.3	43	0.2	35,828	1.5
Partnership and S Corporation net losses	58,750	1.4	5,824	0.6	1,662	6.8	35,031	1.5
Capital gains taxed at 0 percent	39,884	1.0	2,466	0.2	** 512	** 2.1	12,074	0.5
No second largest item	96,789	2.3	0	0.0	**	**	30,223	1.3
Returns with expanded income of \$200,000 or more								
Total	4,256,713	100.0	984,929	23.1	0	0.0	2,283,344	53.6
Interest paid deduction	1,510,499	35.5	0	0.0	0	0.0	1,374,474	60.2
Tax-exempt interest [3]	177,972	4.2	2,914	0.3	0	0.0	127,493	5.6
Taxes paid deduction	1,385,714	32.6	913,270	92.7	0	0.0	0	0.0
Charitable contributions deduction	658,517	15.5	48,159	4.9	0	0.0	556,414	24.4
Medical and dental expense deduction	27,005	0.6	** 2,994	** 0.3	0	0.0	12,822	0.6
Net casualty or theft loss deduction	1,093	[2]	**	**	0	0.0	309	[2]
Total miscellaneous deductions	52,268	1.2	948	0.1	0	0.0	24,861	1.1
Foreign tax credit	57,908	1.4	511	0.1	0	0.0	24,841	1.1
General business credit	20,725	0.5	1,744	0.2	0	0.0	14,524	0.6
Refundable prior-year minimum tax credit used to offset income tax before credits	9,213	0.2	43	[2]	0	0.0	6,758	0.3
All other refundable tax credits used to offset income tax before credits	2,451	0.1	778	0.1	0	0.0	1,040	[2]
All other tax credits	48,072	1.1	2,678	0.3	0	0.0	31,286	1.4
Partnership and S Corporation net losses	55,348	1.3	6,453	0.7	0	0.0	31,640	1.4
Foreign-earned income exclusion [3]	27,974	0.7	0	0.0	0	0.0	312	[2]
AMT tax preference [3]	2,723	0.1	451	[2]	0	0.0	1,367	0.1
Nontaxable Social Security benefits [3]	86,940	2.0	1,663	0.2	0	0.0	41,270	1.8
Capital gains taxed at 0 percent	45,913	1.1	2,321	0.2	0	0.0	8,613	0.4
No second largest item	86,377	2.0	0	0.0	0	0.0	25,320	1.1

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RETURNS WITH U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	323,762	7.7	29,660	0.7	1,820	[2]	103,456	2.5
Interest paid deduction	59,162	18.3	5,777	19.5	560	30.8	21,907	21.2
Investment interest expense deduction [1]	3,982	1.2	23	0.1	51	2.8	1,319	1.3
Taxes paid deduction	222,611	68.8	14,714	49.6	1,104	60.7	58,534	56.6
Charitable contributions deduction	0	0.0	4,178	14.1	82	4.5	10,746	10.4
Medical and dental expense deduction	1,686	0.5	0	0.0	0	0.0	1,480	1.4
Net casualty or theft loss deduction	758	0.2	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	12,788	3.9	1,827	6.2	0	0.0	0	0.0
Foreign tax credit	1,711	0.5	485	1.6	0	0.0	1,631	1.6
General business credit	1,792	0.6	191	0.6	8	0.4	99	0.1
Refundable prior-year minimum tax credit used to offset income tax before credits	680	0.2	176	0.6	0	0.0	112	0.1
All other refundable tax credits used to offset income tax before credits	8	[2]	0	0.0	0	0.0	300	0.3
All other tax credits	2,518	0.8	3	[2]	0	0.0	115	0.1
Partnership and S Corporation net losses	6,624	2.0	427	1.4	8	0.5	4,081	3.9
Capital gains taxed at 0 percent	9,442	2.9	** 1,857	** 6.3	6	0.3	3,094	3.0
No second largest item	0	0.0	**	**	0	0.0	40	[2]
Returns with expanded income of \$200,000 or more								
Total	306,370	7.2	29,848	0.7	1,674	[2]	22,778	0.5
Interest paid deduction	59,707	19.5	5,482	18.4	** 570	** 34.1	1,603	7.0
Tax-exempt interest [3]	16,941	5.5	3,776	12.6	**	**	3,721	16.3
Taxes paid deduction	204,448	66.7	12,502	41.9	967	57.8	10,116	44.4
Charitable contributions deduction	0	0.0	3,768	12.6	82	4.9	2,731	12.0
Medical and dental expense deduction	1,326	0.4	0	0.0	0	0.0	506	2.2
Net casualty or theft loss deduction	449	0.1	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	4,208	1.4	906	3.0	0	0.0	0	0.0
Foreign tax credit	851	0.3	41	0.1	0	0.0	784	3.4
General business credit	1,823	0.6	183	0.6	8	0.5	55	0.2
Refundable prior-year minimum tax credit used to offset income tax before credits	351	0.1	176	0.6	0	0.0	34	0.1
All other refundable tax credits used to offset income tax before credits	8	[2]	0	0.0	0	0.0	0	0.0
All other tax credits	2,458	0.8	0	0.0	0	0.0	51	0.2
Partnership and S Corporation net losses	** 5,757	** 1.9	285	1.0	0	0.0	** 1,936	** 8.5
Foreign-earned income exclusion [3]	**	**	0	0.0	0	0.0	**	**
AMT tax preference [3]	435	0.1	**	**	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	1,064	0.3	** 302	** 1.0	0	0.0	552	2.4
Capital gains taxed at 0 percent	6,542	2.1	2,423	8.1	47	2.8	689	3.0
No second largest item	3	[2]	3	[2]	0	0.0	0	0.0

Footnotes at end of table.

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign tax credit		General business credit		Refundable prior-year minimum tax credit used to offset income tax before credits		All other refundable tax credits used to offset income tax before credits	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
RETURNS WITH U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	102,278	2.4	23,826	0.6	8,090	0.2	5,584	0.1
Interest paid deduction	14,834	14.5	5,000	21.0	1,216	15.0	1,934	34.6
Investment interest expense deduction [1]	787	0.8	200	0.8	19	0.2	0	0.0
Taxes paid deduction	34,619	33.8	13,073	54.9	5,370	66.4	3,314	59.3
Charitable contributions deduction	3,982	3.9	1,702	7.1	118	1.5	41	0.7
Medical and dental expense deduction	57	0.1	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	136	0.1	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	1,791	1.8	81	0.3	219	2.7	0	0.0
Foreign tax credit	0	0.0	1,293	5.4	84	1.0	0	0.0
General business credit	468	0.5	0	0.0	6	0.1	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	617	0.6	4	[2]	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	618	0.6	0	0.0	0	0.0	0	0.0
All other tax credits	2,201	2.2	1,147	4.8	574	7.1	0	0.0
Partnership and S Corporation net losses	1,783	1.7	434	1.8	90	1.1	0	0.0
Capital gains taxed at 0 percent	1,104	1.1	148	0.6	12	0.2	0	0.0
No second largest item	39,280	38.4	743	3.1	381	4.7	295	5.3
Returns with expanded income of \$200,000 or more								
Total	85,291	2.0	22,971	0.5	7,470	0.2	5,584	0.1
Interest paid deduction	8,842	10.4	4,808	20.9	** 1,196	** 16.0	1,934	34.6
Tax-exempt interest [3]	3,026	3.5	1,229	5.3	**	**	0	0.0
Taxes paid deduction	26,207	30.7	11,223	48.9	5,159	69.1	3,314	59.3
Charitable contributions deduction	2,761	3.2	1,704	7.4	71	0.9	41	0.7
Medical and dental expense deduction	49	0.1	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	136	0.2	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	627	0.7	18	0.1	179	2.4	0	0.0
Foreign tax credit	0	0.0	738	3.2	40	0.5	0	0.0
General business credit	235	0.3	0	0.0	6	0.1	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	307	0.4	4	[2]	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	618	0.7	0	0.0	0	0.0	0	0.0
All other tax credits	946	1.1	969	4.2	574	7.7	0	0.0
Partnership and S Corporation net losses	811	1.0	417	1.8	91	1.2	0	0.0
Foreign-earned income exclusion [3]	26,232	30.8	0	0.0	0	0.0	0	0.0
AMT tax preference [3]	24	[2]	**	**	43	0.6	0	0.0
Nontaxable Social Security benefits [3]	1,289	1.5	** 1,060	** 4.6	16	0.2	0	0.0
Capital gains taxed at 0 percent	1,009	1.2	148	0.6	13	0.2	0	0.0
No second largest item	12,171	14.3	653	2.8	81	1.1	295	5.3

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	All other tax credits		Partnership and S Corporation net losses		Capital gains taxed at 0 percent		Foreign-earned income exclusion [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
RETURNS WITH U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	45,711	1.1	83,360	2.0	55,656	1.3	0	0.0
Interest paid deduction	7,482	16.4	16,282	19.5	8,721	15.7	0	0.0
Investment interest expense deduction [1]	191	0.4	2,946	3.5	741	1.3	0	0.0
Taxes paid deduction	16,522	36.1	32,627	39.1	19,389	34.8	0	0.0
Charitable contributions deduction	1,525	3.3	8,238	9.9	3,901	7.0	0	0.0
Medical and dental expense deduction	0	0.0	** 407	** 0.5	3,321	6.0	0	0.0
Net casualty or theft loss deduction	0	0.0	**	**	0	0.0	0	0.0
Total miscellaneous deductions	728	1.6	4,187	5.0	2,285	4.1	0	0.0
Foreign tax credit	3,897	8.5	3,628	4.4	5,032	9.0	0	0.0
General business credit	61	0.1	653	0.8	67	0.1	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	753	1.6	156	0.2	20	[2]	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	3	[2]	0	0.0	0	0.0
All other tax credits	0	0.0	1,814	2.2	1,370	2.5	0	0.0
Partnership and S Corporation net losses	265	0.6	0	0.0	2,519	4.5	0	0.0
Capital gains taxed at 0 percent	825	1.8	8,348	10.0	0	0.0	0	0.0
No second largest item	13,460	29.4	4,071	4.9	8,290	14.9	0	0.0
Returns with expanded income of \$200,000 or more								
Total	41,524	1.0	81,859	1.9	50,967	1.2	29,588	0.7
Interest paid deduction	7,406	17.8	16,818	20.5	8,381	16.4	6,946	23.5
Tax-exempt interest [3]	2,030	4.9	4,198	5.1	3,954	7.8	1,078	3.6
Taxes paid deduction	13,512	32.5	31,992	39.1	15,850	31.1	5,456	18.4
Charitable contributions deduction	1,630	3.9	8,528	10.4	3,897	7.6	631	2.1
Medical and dental expense deduction	0	0.0	** 392	** 0.5	2,570	5.0	136	0.5
Net casualty or theft loss deduction	0	0.0	**	**	0	0.0	0	0.0
Total miscellaneous deductions	7	[2]	2,385	2.9	991	1.9	6	[2]
Foreign tax credit	1,539	3.7	1,740	2.1	1,520	3.0	10,160	34.3
General business credit	24	0.1	692	0.8	67	0.1	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	604	1.5	149	0.2	11	[2]	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	3	[2]	0	0.0	0	0.0
All other tax credits	0	0.0	1,571	1.9	788	1.5	85	0.3
Partnership and S Corporation net losses	249	0.6	0	0.0	2,278	4.5	350	1.2
Foreign-earned income exclusion [3]	144	0.3	49	0.1	136	0.3	0	0.0
AMT tax preference [3]	17	[2]	61	0.1	**	**	0	0.0
Nontaxable Social Security benefits [3]	2,713	6.5	1,804	2.2	** 8,605	** 16.9	928	3.1
Capital gains taxed at 0 percent	514	1.2	8,470	10.3	0	0.0	677	2.3
No second largest item	11,134	26.8	3,008	3.7	1,919	3.8	3,135	10.6

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued					
	Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(33)	(34)	(35)	(36)	(37)	(38)
RETURNS WITH U.S. INCOME TAX						
Returns with adjusted gross income of \$200,000 or more						
Total	0	0.0	0	0.0	0	0.0
Interest paid deduction	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0
Foreign tax credit	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more						
Total	242,223	5.7	5,520	0.1	54,775	1.3
Interest paid deduction	7,743	3.2	968	17.5	3,737	6.8
Tax-exempt interest [3]	0	0.0	177	3.2	7,321	13.4
Taxes paid deduction	119,256	49.2	2,527	45.8	9,917	18.1
Charitable contributions deduction	28,022	11.6	76	1.4	3	[2]
Medical and dental expense deduction	6,120	2.5	8	0.1	136	0.2
Net casualty or theft loss deduction	146	0.1	0	0.0	0	0.0
Total miscellaneous deductions	17,122	7.1	9	0.2	0	0.0
Foreign tax credit	9,314	3.8	23	0.4	5,806	10.6
General business credit	842	0.3	0	0.0	521	1.0
Refundable prior-year minimum tax credit used to offset income tax before credits	431	0.2	44	0.8	300	0.5
All other refundable tax credits used to offset income tax before credits	3	[2]	0	0.0	0	0.0
All other tax credits	3,750	1.5	174	3.1	2,742	5.0
Partnership and S Corporation net losses	4,399	1.8	91	1.6	607	1.1
Foreign-earned income exclusion [3]	104	[2]	981	17.8	0	0.0
AMT tax preference [3]	319	0.1	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	25,674	10.6	3	0.1	0	0.0
Capital gains taxed at 0 percent	14,167	5.8	140	2.5	141	0.3
No second largest item	4,812	2.0	300	5.4	23,544	43.0

Footnotes at end of table.

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETURNS WITHOUT U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	19,000	100.0	227	1.2	844	4.4	323	1.7
Interest paid deduction	3,533	18.6	0	0.0	128	15.2	40	12.4
Investment interest expense deduction [1]	851	4.5	16	7.0	0	0.0	33	10.2
Taxes paid deduction	3,699	19.5	63	27.7	163	19.3	0	0.0
Charitable contributions deduction	2,054	10.8	41	18.0	151	17.9	88	27.2
Medical and dental expense deduction	228	1.2	8	3.5	9	1.1	13	4.0
Net casualty or theft loss deduction	23	0.1	**	**	**	**	**	**
Total miscellaneous deductions	1,188	6.3	** 26	** 11.4	** 75	** 8.9	** 48	** 14.9
Foreign tax credit	176	0.9	7	3.1	12	1.4	14	4.3
General business credit	160	0.8	** 21	** 9.2	8	0.9	11	3.4
Refundable prior-year minimum tax credit used to offset income tax before credits	467	2.5	**	**	0	0.0	29	9.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	249	1.3	7	3.1	3	0.4	3	0.9
Partnership and S Corporation net losses	1,110	5.8	7	3.1	240	28.4	33	10.2
Capital gains taxed at 0 percent	1,000	5.3	31	13.6	55	6.5	11	3.4
No second largest item	4,263	22.4	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more								
Total	32,441	100.0	244	0.8	0	0.0	401	1.2
Interest paid deduction	2,427	7.5	0	0.0	0	0.0	50	12.4
Tax-exempt interest [3]	2,192	6.8	36	14.7	0	0.0	109	27.2
Taxes paid deduction	4,575	14.1	57	23.3	0	0.0	0	0.0
Charitable contributions deduction	2,934	9.0	40	16.4	0	0.0	77	19.2
Medical and dental expense deduction	1,864	5.7	** 12	** 4.9	0	0.0	** 19	** 4.7
Net casualty or theft loss deduction	32	0.1	**	**	0	0.0	**	**
Total miscellaneous deductions	1,991	6.1	** 27	** 11.1	0	0.0	32	8.0
Foreign tax credit	1,738	5.4	**	**	0	0.0	11	2.7
General business credit	162	0.5	14	5.7	0	0.0	13	3.2
Refundable prior-year minimum tax credit used to offset income tax before credits	191	0.6	6	2.6	0	0.0	29	7.3
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	248	0.8	7	2.9	0	0.0	3	0.7
Partnership and S Corporation net losses	1,745	5.4	8	3.3	0	0.0	30	7.5
Foreign-earned income exclusion [3]	8,065	24.9	5	2.0	0	0.0	4	1.0
AMT tax preference [3]	11	[2]	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	445	1.4	5	2.0	0	0.0	3	0.7
Capital gains taxed at 0 percent	1,844	5.7	27	11.1	0	0.0	21	5.2
No second largest item	1,978	6.1	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RETURNS WITHOUT U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	1,494	7.9	1,151	6.1	277	1.5	2,534	13.3
Interest paid deduction	177	11.8	81	7.0	102	36.8	600	23.7
Investment interest expense deduction [1]	259	17.3	16	1.4	7	2.5	76	3.0
Taxes paid deduction	232	15.5	337	29.3	98	35.4	980	38.7
Charitable contributions deduction	0	0.0	248	21.5	23	8.3	294	11.6
Medical and dental expense deduction	101	6.8	0	0.0	5	1.8	39	1.5
Net casualty or theft loss deduction	**	**	4	0.3	0	0.0	6	0.2
Total miscellaneous deductions	** 231	** 15.5	** 269	** 23.4	22	7.9	0	0.0
Foreign tax credit	54	3.6	**	**	0	0.0	17	0.7
General business credit	46	3.1	5	0.4	0	0.0	** 29	** 1.1
Refundable prior-year minimum tax credit used to offset income tax before credits	13	0.9	0	0.0	0	0.0	**	**
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	43	2.9	3	0.3	**	**	27	1.1
Partnership and S Corporation net losses	** 95	** 6	23	2.0	** 14	** 5.1	332	13.1
Capital gains taxed at 0 percent	242	16.2	161	14.0	6	2.2	66	2.6
No second largest item	**	**	4	0.3	**	**	68	2.7
Returns with expanded income of \$200,000 or more								
Total	1,494	4.6	1,798	5.5	281	0.9	415	1.3
Interest paid deduction	151	10.1	66	3.7	101	35.9	29	7.0
Tax-exempt interest [3]	247	16.5	818	45.5	28	10.0	121	29.2
Taxes paid deduction	214	14.3	240	13.3	87	31.0	64	15.4
Charitable contributions deduction	0	0.0	200	11.1	18	6.4	87	21.0
Medical and dental expense deduction	** 79	** 5.3	0	0.0	7	2.5	23	5.5
Net casualty or theft loss deduction	**	**	3	0.2	0	0.0	0	0.0
Total miscellaneous deductions	156	10.5	** 223	** 12.4	8	2.8	0	0.0
Foreign tax credit	47	3.1	**	**	0	0.0	7	1.7
General business credit	47	3.2	6	0.3	0	0.0	3	0.7
Refundable prior-year minimum tax credit used to offset income tax before credits	13	0.9	0	0.0	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	39	2.6	4	0.2	3	1.1	**	**
Partnership and S Corporation net losses	234	15.7	19	1.1	** 16	** 5.7	** 56	** 13.5
Foreign-earned income exclusion [3]	6	0.4	0	0.0	**	**	** 3	** 0.7
AMT tax preference [3]	0	0.0	0	0.0	0	0.0	**	**
Nontaxable Social Security benefits [3]	31	2.1	55	3.1	6	2.1	**	**
Capital gains taxed at 0 percent	229	15.3	160	8.9	** 7	** 2.5	** 22	** 5.3
No second largest item	0	0.0	4	0.2	**	**	**	**

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign tax credit		General business credit		Refundable prior-year minimum tax credit used to offset income tax before credits		All other refundable tax credits used to offset income tax before credits	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
RETURNS WITHOUT U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	9,613	50.6	134	0.7	766	4.0	**	**
Interest paid deduction	2,180	22.7	58	43.3	3	0.4	**	**
Investment interest expense deduction [1]	127	1.3	**	**	0	0.0	**	**
Taxes paid deduction	939	9.8	20	14.9	579	75.6	**	**
Charitable contributions deduction	727	7.6	15	11.2	143	18.7	**	**
Medical and dental expense deduction	21	0.2	** 7	** 5.2	0	0.0	**	**
Net casualty or theft loss deduction	**	**	0	0.0	0	0.0	**	**
Total miscellaneous deductions	** 274	** 2.9	5	3.7	** 41	** 5.4	**	**
Foreign tax credit	0	0.0	0	0.0	**	**	**	**
General business credit	6	0.1	0	0.0	0	0.0	**	**
Refundable prior-year minimum tax credit used to offset income tax before credits	407	4.2	0	0.0	0	0.0	**	**
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	**	**
All other tax credits	118	1.2	**	**	0	0.0	**	**
Partnership and S Corporation net losses	336	3.5	** 9	** 6.7	0	0.0	**	**
Capital gains taxed at 0 percent	297	3.1	20	14.9	0	0.0	**	**
No second largest item	4,180	43.5	0	0.0	0	0.0	**	**
Returns with expanded income of \$200,000 or more								
Total	12,693	39.1	137	0.4	763	2.4	**	**
Interest paid deduction	992	7.8	55	40.1	0	0.0	**	**
Tax-exempt interest [3]	129	1.0	8	5.8	143	18.8	**	**
Taxes paid deduction	624	4.9	17	12.4	439	57.5	**	**
Charitable contributions deduction	425	3.3	16	11.7	140	18.4	**	**
Medical and dental expense deduction	** 15	** 0.1	6	4.4	0	0.0	**	**
Net casualty or theft loss deduction	**	**	0	0.0	0	0.0	**	**
Total miscellaneous deductions	** 107	** 0.8	** 3	** 2.2	** 41	** 5.4	**	**
Foreign tax credit	0	0.0	**	**	**	**	**	**
General business credit	**	**	0	0.0	0	0.0	**	**
Refundable prior-year minimum tax credit used to offset income tax before credits	138	1.1	0	0.0	0	0.0	**	**
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	**	**
All other tax credits	51	0.4	**	**	0	0.0	**	**
Partnership and S Corporation net losses	211	1.7	** 12	** 8.8	0	0.0	**	**
Foreign-earned income exclusion [3]	** 8,033	** 63.3	**	**	0	0.0	**	**
AMT tax preference [3]	**	**	**	**	0	0.0	**	**
Nontaxable Social Security benefits [3]	51	0.4	0	0.0	0	0.0	**	**
Capital gains taxed at 0 percent	236	1.9	20	14.6	0	0.0	**	**
No second largest item	1,681	13.2	0	0.0	0	0.0	**	**

Footnotes at end of table.

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	All other tax credits		Partnership and S Corporation net losses		Capital gains taxed at 0 percent		Foreign-earned income exclusion [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
RETURNS WITHOUT U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	** 302	** 1.6	1,187	6.2	148	0.8	0	0.0
Interest paid deduction	** 86	** 28.5	47	4.0	31	20.9	0	0.0
Investment interest expense deduction [1]	**	**	300	25.3	12	8.1	0	0.0
Taxes paid deduction	** 85	** 28.1	184	15.5	18	12.2	0	0.0
Charitable contributions deduction	** 31	** 10.3	266	22.4	26	17.6	0	0.0
Medical and dental expense deduction	** 5	** 1.7	16	1.3	8	5.4	0	0.0
Net casualty or theft loss deduction	** 0	** 0.0	**	**	3	2.0	0	0.0
Total miscellaneous deductions	** 13	** 4.3	** 184	** 15.5	13	8.8	0	0.0
Foreign tax credit	** 4	** 1.3	57	4.8	8	5.4	0	0.0
General business credit	** 3	** 1.0	30	2.5	8	5.4	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	** 0	** 0.0	10	0.9	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	** 0	** 0.0	0	0.0	0	0.0	0	0.0
All other tax credits	** 0	** 0.0	27	2.3	14	9.5	0	0.0
Partnership and S Corporation net losses	** 22	** 7.3	0	0.0	** 7	** 4.7	0	0.0
Capital gains taxed at 0 percent	** 46	** 15.2	65	5.5	0	0.0	0	0.0
No second largest item	** 7	** 2.3	0	0.0	**	**	0	0.0
Returns with expanded income of \$200,000 or more								
Total	** 286	** 0.9	** 1,316	** 4.1	345	1.1	1,912	5.9
Interest paid deduction	** 81	** 28.3	** 39	** 3.0	177	51.3	105	5.5
Tax-exempt interest [3]	** 21	** 7.3	** 484	** 36.8	41	11.9	7	0.4
Taxes paid deduction	** 75	** 26.2	** 180	** 13.7	20	5.8	56	2.9
Charitable contributions deduction	** 29	** 10.1	** 262	** 19.9	35	10.1	20	1.0
Medical and dental expense deduction	**	**	** 16	** 1.2	** 15	** 4.3	15	0.8
Net casualty or theft loss deduction	** 0	** 0.0	**	**	**	**	0	0.0
Total miscellaneous deductions	** 12	** 4.2	** 120	** 9.1	17	4.9	4	0.2
Foreign tax credit	**	**	** 64	** 4.9	7	2.0	1,573	82.3
General business credit	**	**	** 43	** 3.3	9	2.6	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	** 0	** 0.0	**	**	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	** 0	** 0.0	** 0	** 0.0	0	0.0	0	0.0
All other tax credits	** 0	** 0.0	** 29	** 2.2	16	4.6	9	0.5
Partnership and S Corporation net losses	** 21	** 7.3	** 0	** 0.0	3	0.9	6	0.3
Foreign-earned income exclusion [3]	** 0	** 0.0	** 10	** 0.8	0	0.0	0	0.0
AMT tax preference [3]	** 0	** 0.0	**	**	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	** 4	** 1.4	**	**	** 5	** 1.4	**	**
Capital gains taxed at 0 percent	** 38	** 13.3	** 69	** 5.2	0	0.0	** 26	** 1.4
No second largest item	** 5	** 1.7	** 0	** 0.0	**	**	91	4.8

Footnotes at end of table.

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Table 7. Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued					
	Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(33)	(34)	(35)	(36)	(37)	(38)
RETURNS WITHOUT U.S. INCOME TAX						
Returns with adjusted gross income of \$200,000 or more						
Total	0	0.0	0	0.0	0	0.0
Interest paid deduction	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0
Foreign tax credit	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more						
Total	10,344	31.9	**	**	11	[2]
Interest paid deduction	578	5.6	**	**	3	27.3
Tax-exempt interest [3]	0	0.0	**	**	0	0.0
Taxes paid deduction	2,502	24.2	**	**	0	0.0
Charitable contributions deduction	1,584	15.3	**	**	0	0.0
Medical and dental expense deduction	1,662	16.1	**	**	**	**
Net casualty or theft loss deduction	20	0.2	**	**	0	0.0
Total miscellaneous deductions	1,257	12.2	**	**	** 4	** 36.4
Foreign tax credit	19	0.2	**	**	**	**
General business credit	** 24	** 0.2	**	**	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	**	**	**	**	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	**	**	0	0.0
All other tax credits	84	0.8	**	**	0	0.0
Partnership and S Corporation net losses	1,135	11.0	**	**	**	**
Foreign-earned income exclusion [3]	** 10	** 0.1	**	**	0	0.0
AMT tax preference [3]	**	**	**	**	0	0.0
Nontaxable Social Security benefits [3]	282	2.7	**	**	0	0.0
Capital gains taxed at 0 percent	995	9.6	**	**	** 4	** 27.3
No second largest item	192	1.9	**	**	**	**

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

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

[2] Less than 0.05 percent.

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

NOTES: Detail may not add to totals because of rounding. Total columns do not include returns with no tax effect. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETURNS WITH WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	4,151,650	100.0	1,013,415	24.4	25,263	0.6	2,415,911	58.2
Interest paid deduction	1,554,463	37.4	0	0.0	4,786	18.9	1,418,986	58.7
Investment interest expense deduction [1]	38,398	0.9	4,106	0.4	0	0.0	23,986	1.0
Taxes paid deduction	1,339,135	32.3	928,428	91.6	13,707	54.3	0	0.0
Charitable contributions deduction	780,173	18.8	49,003	4.8	** 2,576	** 10.2	696,713	28.8
Medical and dental expense deduction	24,139	0.6	** 3,223	** 0.3	**	**	14,004	0.6
Net casualty or theft loss deduction	1,082	[2]	**	**	0	0.0	310	[2]
Total miscellaneous deductions	143,327	3.5	14,318	1.4	1,735	6.9	104,057	4.3
General business credit	22,574	0.5	1,742	0.2	69	0.3	17,749	0.7
Refundable prior-year minimum tax credit used to offset income tax before credits	11,802	0.3	345	[2]	30	0.1	9,226	0.4
All other refundable tax credits used to offset income tax before credits	2,129	0.1	778	0.1	0	0.0	1,040	[2]
All other tax credits	49,282	1.2	2,739	0.3	46	0.2	38,262	1.6
Partnership and S Corporation net losses	58,788	1.4	5,854	0.6	1,753	6.9	35,946	1.5
Capital gains taxed at 0 percent	40,338	1.0	2,486	0.2	530	2.1	12,433	0.5
No second largest item	86,019	2.1	392	[2]	31	0.1	43,199	1.8
Returns with expanded income of \$200,000 or more								
Total	4,259,221	100.0	994,812	23.4	0	0.0	2,310,216	54.2
Interest paid deduction	1,531,510	36.0	0	0.0	0	0.0	1,391,452	60.2
Tax-exempt interest [3]	184,857	4.3	2,976	0.3	0	0.0	131,800	5.7
Taxes paid deduction	1,383,492	32.5	922,161	92.7	0	0.0	0	0.0
Charitable contributions deduction	676,299	15.9	49,236	4.9	0	0.0	571,968	24.8
Medical and dental expense deduction	27,065	0.6	** 2,998	** 0.3	0	0.0	12,830	0.6
Net casualty or theft loss deduction	961	[2]	**	**	0	0.0	310	[2]
Total miscellaneous deductions	54,103	1.3	972	0.1	0	0.0	26,559	1.1
General business credit	21,208	0.5	1,750	0.2	0	0.0	14,882	0.6
Refundable prior-year minimum tax credit used to offset income tax before credits	9,481	0.2	50	[2]	0	0.0	6,773	0.3
All other refundable tax credits used to offset income tax before credits	1,833	[2]	778	0.1	0	0.0	1,040	[2]
All other tax credits	50,321	1.2	2,697	0.3	0	0.0	32,420	1.4
Partnership and S Corporation net losses	56,784	1.3	6,471	0.7	0	0.0	32,020	1.4
Foreign-earned income exclusion [3]	3,322	0.1	47	[2]	0	0.0	1,132	[2]
AMT tax preference [3]	2,824	0.1	452	[2]	0	0.0	1,371	0.1
Nontaxable Social Security benefits [3]	89,147	2.1	1,799	0.2	0	0.0	42,646	1.8
Capital gains taxed at 0 percent	46,832	1.1	2,336	0.2	0	0.0	8,900	0.4
No second largest item	119,181	2.8	89	[2]	0	0.0	34,113	1.5

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RETURNS WITH WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	328,773	7.9	29,786	0.7	1,960	[2]	105,588	2.5
Interest paid deduction	59,971	18.2	5,793	19.5	561	28.6	22,553	21.4
Investment interest expense deduction [1]	4,264	1.3	24	0.1	51	2.6	1,628	1.5
Taxes paid deduction	226,310	68.8	14,804	49.7	1,240	63.3	59,750	56.6
Charitable contributions deduction	0	0.0	4,185	14.1	84	4.3	11,632	11.0
Medical and dental expense deduction	1,701	0.5	0	0.0	0	0.0	1,485	1.4
Net casualty or theft loss deduction	758	0.2	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	13,452	4.1	2,148	7.2	0	0.0	0	0.0
General business credit	1,857	0.6	194	0.7	8	0.4	111	0.1
Refundable prior-year minimum tax credit used to offset income tax before credits	691	0.2	176	0.6	0	0.0	127	0.1
All other refundable tax credits used to offset income tax before credits	8	[2]	0	0.0	0	0.0	300	0.3
All other tax credits	2,554	0.8	4	[2]	0	0.0	125	0.1
Partnership and S Corporation net losses	6,778	2.1	428	1.4	8	0.4	4,258	4.0
Capital gains taxed at 0 percent	9,974	3.0	2,022	6.8	7	0.4	3,360	3.2
No second largest item	455	0.1	6	[2]	0	0.0	260	0.2
Returns with expanded income of \$200,000 or more								
Total	309,867	7.3	29,969	0.7	1,813	[2]	23,536	0.6
Interest paid deduction	60,305	19.5	5,493	18.3	569	31.4	1,794	7.6
Tax-exempt interest [3]	17,139	5.5	3,840	12.8	138	7.6	3,857	16.4
Taxes paid deduction	206,759	66.7	12,546	41.9	967	53.3	10,636	45.2
Charitable contributions deduction	0	0.0	3,776	12.6	83	4.6	3,143	13.4
Medical and dental expense deduction	1,339	0.4	0	0.0	0	0.0	506	2.1
Net casualty or theft loss deduction	449	0.1	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	4,392	1.4	907	3.0	0	0.0	0	0.0
General business credit	1,884	0.6	187	0.6	8	0.4	63	0.3
Refundable prior-year minimum tax credit used to offset income tax before credits	362	0.1	** 178	** 0.6	0	0.0	** 101	** 0.4
All other refundable tax credits used to offset income tax before credits	8	[2]	0	0.0	0	0.0	0	0.0
All other tax credits	2,491	0.8	**	**	0	0.0	**	**
Partnership and S Corporation net losses	5,865	1.9	** 287	** 1.0	0	0.0	1,967	8.4
Foreign-earned income exclusion [3]	158	0.1	**	**	**	**	38	0.2
AMT tax preference [3]	436	0.1	**	**	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	1,216	0.4	** 303	** 1.0	0	0.0	553	2.4
Capital gains taxed at 0 percent	6,989	2.3	2,448	8.2	** 49	** 2.7	852	3.6
No second largest item	75	[2]	4	[2]	0	0.0	26	0.1

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	General business credit		Refundable prior-year minimum tax credit used to offset income tax before credits		All other refundable tax credits used to offset income tax before credits		All other tax credits	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
RETURNS WITH WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	24,338	0.6	9,413	0.2	6,202	0.1	48,150	1.2
Interest paid deduction	5,019	20.6	1,268	13.5	1,934	31.2	7,838	16.3
Investment interest expense deduction [1]	208	0.9	20	0.2	0	0.0	195	0.4
Taxes paid deduction	13,189	54.2	6,020	63.9	3,932	63.4	16,851	35.0
Charitable contributions deduction	1,753	7.2	122	1.3	41	0.7	** 1,541	** 3.2
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0	**	**
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	85	0.3	219	2.3	0	0.0	739	1.5
General business credit	0	0.0	6	0.1	0	0.0	64	0.1
Refundable prior-year minimum tax credit used to offset income tax before credits	140	0.6	0	0.0	0	0.0	889	1.8
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	1,284	5.3	906	9.6	0	0.0	0	0.0
Partnership and S Corporation net losses	446	1.8	90	1.0	0	0.0	414	0.9
Capital gains taxed at 0 percent	151	0.6	15	0.2	0	0.0	856	1.8
No second largest item	2,062	8.5	748	7.9	295	4.8	18,763	39.0
Returns with expanded income of \$200,000 or more								
Total	23,253	0.5	8,215	0.2	6,202	0.1	42,628	1.0
Interest paid deduction	4,824	20.7	1,092	13.3	1,934	31.2	7,428	17.4
Tax-exempt interest [3]	1,267	5.4	547	6.7	0	0.0	2,499	5.9
Taxes paid deduction	11,322	48.7	5,496	66.9	3,623	58.4	13,699	32.1
Charitable contributions deduction	1,746	7.5	74	0.9	41	0.7	** 1,643	** 3.9
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0	**	**
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	21	0.1	179	2.2	0	0.0	**	**
General business credit	0	0.0	6	0.1	0	0.0	** 39	** 0.1
Refundable prior-year minimum tax credit used to offset income tax before credits	4	[2]	0	0.0	0	0.0	604	1.4
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	971	4.2	574	7.0	0	0.0	0	0.0
Partnership and S Corporation net losses	** 432	** 1.9	91	1.1	0	0.0	260	0.6
Foreign-earned income exclusion [3]	**	**	**	**	309	5.0	152	0.4
AMT tax preference [3]	**	**	43	0.5	0	0.0	17	[2]
Nontaxable Social Security benefits [3]	** 1,196	** 5.1	16	0.2	0	0.0	2,716	6.4
Capital gains taxed at 0 percent	149	0.6	** 15	** 0.2	0	0.0	539	1.3
No second largest item	1,322	5.7	81	1.0	295	4.8	13,030	30.6

Footnotes at end of table.

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued					
	Partnership and S Corporation net losses		Capital gains taxed at 0 percent		Foreign-earned income exclusion [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)
RETURNS WITH WORLDWIDE INCOME TAX						
Returns with adjusted gross income of \$200,000 or more						
Total	85,723	2.1	57,127	1.4	0	0.0
Interest paid deduction	16,812	19.6	8,941	15.7	0	0.0
Investment interest expense deduction [1]	3,164	3.7	751	1.3	0	0.0
Taxes paid deduction	33,668	39.3	21,234	37.2	0	0.0
Charitable contributions deduction	8,406	9.8	4,124	7.2	0	0.0
Medical and dental expense deduction	** 408	** 0.5	** 3,326	** 5.8	0	0.0
Net casualty or theft loss deduction	**	**	**	**	0	0.0
Total miscellaneous deductions	4,270	5.0	2,306	4.0	0	0.0
General business credit	702	0.8	72	0.1	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	159	0.2	20	[2]	0	0.0
All other refundable tax credits used to offset income tax before credits	3	[2]	0	0.0	0	0.0
All other tax credits	1,981	2.3	1,382	2.4	0	0.0
Partnership and S Corporation net losses	0	0.0	2,811	4.9	0	0.0
Capital gains taxed at 0 percent	8,504	9.9	0	0.0	0	0.0
No second largest item	7,647	8.9	12,161	21.3	0	0.0
Returns with expanded income of \$200,000 or more						
Total	83,150	2.0	52,308	1.2	65,520	1.5
Interest paid deduction	17,211	20.7	8,574	16.4	18,072	27.6
Tax-exempt interest [3]	4,356	5.2	4,301	8.2	3,870	5.9
Taxes paid deduction	32,693	39.3	16,682	31.9	12,412	18.9
Charitable contributions deduction	8,713	10.5	4,070	7.8	3,014	4.6
Medical and dental expense deduction	** 393	** 0.5	** 2,576	** 4.9	** 181	** 0.3
Net casualty or theft loss deduction	**	**	**	**	**	**
Total miscellaneous deductions	2,446	2.9	1,007	1.9	113	0.2
General business credit	745	0.9	72	0.1	194	0.3
Refundable prior-year minimum tax credit used to offset income tax before credits	153	0.2	11	[2]	481	0.7
All other refundable tax credits used to offset income tax before credits	3	[2]	0	0.0	0	0.0
All other tax credits	1,733	2.1	802	1.5	1,631	2.5
Partnership and S Corporation net losses	0	0.0	2,431	4.6	1,219	1.9
Foreign-earned income exclusion [3]	170	0.2	160	0.3	0	0.0
AMT tax preference [3]	62	0.1	**	**	110	0.2
Nontaxable Social Security benefits [3]	1,941	2.3	** 8,951	** 17.1	1,330	2.0
Capital gains taxed at 0 percent	8,569	10.3	0	0.0	1,129	1.7
No second largest item	3,962	4.8	2,672	5.1	21,764	33.2

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued					
	Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(31)	(32)	(33)	(34)	(35)	(36)
RETURNS WITH WORLDWIDE INCOME TAX						
Returns with adjusted gross income of \$200,000 or more						
Total	0	0.0	0	0.0	0	0.0
Interest paid deduction	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more						
Total	246,067	5.8	5,547	0.1	56,117	1.3
Interest paid deduction	8,050	3.3	968	17.4	3,745	6.7
Tax-exempt interest [3]	0	0.0	189	3.4	8,079	14.4
Taxes paid deduction	121,993	49.6	2,537	45.7	9,966	17.8
Charitable contributions deduction	28,700	11.7	** 88	** 1.6	14	[2]
Medical and dental expense deduction	6,152	2.5	**	**	136	0.2
Net casualty or theft loss deduction	147	0.1	0	0.0	0	0.0
Total miscellaneous deductions	17,482	7.1	10	0.2	**	**
General business credit	863	0.4	0	0.0	** 529	** 0.9
Refundable prior-year minimum tax credit used to offset income tax before credits	474	0.2	45	0.8	300	0.5
All other refundable tax credits used to offset income tax before credits	3	[2]	0	0.0	0	0.0
All other tax credits	3,984	1.6	174	3.1	2,789	5.0
Partnership and S Corporation net losses	4,672	1.9	94	1.7	977	1.7
Foreign-earned income exclusion [3]	165	0.1	984	17.7	0	0.0
AMT tax preference [3]	327	0.1	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	26,483	10.8	3	0.1	0	0.0
Capital gains taxed at 0 percent	14,579	5.9	140	2.5	142	0.3
No second largest item	11,993	4.9	315	5.7	29,440	52.5

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETURNS WITHOUT WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	8,043	100.0	181	2.3	774	9.6	286	3.6
Interest paid deduction	1,264	15.7	0	0.0	123	15.9	36	12.6
Investment interest expense deduction [1]	668	8.3	13	7.2	0	0.0	33	11.5
Taxes paid deduction	2,329	29.0	61	33.7	158	20.4	0	0.0
Charitable contributions deduction	1,218	15.1	37	20.4	140	18.1	85	29.7
Medical and dental expense deduction	199	2.5	8	4.4	8	1.0	13	4.5
Net casualty or theft loss deduction	20	0.2	**	**	**	**	**	**
Total miscellaneous deductions	851	10.6	** 25	** 13.8	** 67	** 8.7	** 45	** 15.7
General business credit	92	1.1	8	4.4	6	0.8	7	2.4
Refundable prior-year minimum tax credit used to offset income tax before credits	41	0.5	0	0.0	0	0.0	29	10.2
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	67	0.8	**	**	**	**	**	**
Partnership and S Corporation net losses	715	8.9	** 8	** 4.4	** 229	** 29.6	** 30	** 10.5
Capital gains taxed at 0 percent	495	6.2	21	11.6	43	5.6	8	2.8
No second largest item	83	1.0	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more								
Total	16,082	100.0	195	1.2	0	0.0	360	2.2
Interest paid deduction	1,302	8.1	0	0.0	0	0.0	46	12.8
Tax-exempt interest [3]	1,902	11.8	31	15.9	0	0.0	107	29.7
Taxes paid deduction	3,434	21.3	53	27.2	0	0.0	0	0.0
Charitable contributions deduction	2,308	14.3	36	18.5	0	0.0	75	20.8
Medical and dental expense deduction	1,806	11.2	** 12	** 6.2	0	0.0	** 19	** 5.3
Net casualty or theft loss deduction	28	0.2	**	**	0	0.0	**	**
Total miscellaneous deductions	1,811	11.3	21	10.8	0	0.0	30	8.3
General business credit	85	0.5	8	4.1	0	0.0	9	2.5
Refundable prior-year minimum tax credit used to offset income tax before credits	35	0.2	0	0.0	0	0.0	29	8.1
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	99	0.6	**	**	0	0.0	**	**
Partnership and S Corporation net losses	1,454	9.0	** 12	** 6.2	0	0.0	** 27	** 7.5
Foreign-earned income exclusion [3]	14	0.1	**	**	0	0.0	0	0.0
AMT tax preference [3]	8	[2]	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	393	2.4	5	2.6	0	0.0	3	0.8
Capital gains taxed at 0 percent	1,109	6.9	17	8.7	0	0.0	15	4.2
No second largest item	294	1.8	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction		Total miscellaneous deductions	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RETURNS WITHOUT WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	1,193	14.8	1,103	13.7	275	3.4	2,465	30.6
Interest paid deduction	154	12.9	80	7.3	101	36.7	593	24.1
Investment interest expense deduction [1]	242	20.3	15	1.4	7	2.5	75	3.0
Taxes paid deduction	205	17.2	335	30.4	98	35.6	973	39.5
Charitable contributions deduction	0	0.0	243	22.0	23	8.4	285	11.6
Medical and dental expense deduction	100	8.4	0	0.0	5	1.8	39	1.6
Net casualty or theft loss deduction	**	**	4	0.4	0	0.0	6	0.2
Total miscellaneous deductions	** 210	** 17.6	** 268	** 24.3	22	8.0	0	0.0
General business credit	** 24	** 2.0	**	**	0	0.0	25	1.0
Refundable prior-year minimum tax credit used to offset income tax before credits	**	**	0	0.0	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	20	1.7	**	**	**	**	22	0.9
Partnership and S Corporation net losses	** 73	** 6.1	** 24	** 2.2	** 14	** 5.1	327	13.3
Capital gains taxed at 0 percent	165	13.8	130	11.8	5	1.8	52	2.1
No second largest item	**	**	4	0.4	**	**	68	2.8
Returns with expanded income of \$200,000 or more								
Total	1,183	7.4	1,738	10.8	279	1.7	387	2.4
Interest paid deduction	131	11.1	65	3.7	100	35.8	27	7.0
Tax-exempt interest [3]	200	16.9	797	45.9	28	10.0	117	30.2
Taxes paid deduction	184	15.6	240	13.8	87	31.2	60	15.5
Charitable contributions deduction	0	0.0	194	11.2	18	6.5	85	22.0
Medical and dental expense deduction	** 77	** 6.5	0	0.0	7	2.5	23	5.9
Net casualty or theft loss deduction	**	**	3	0.2	0	0.0	0	0.0
Total miscellaneous deductions	136	11.5	** 224	** 12.9	8	2.9	0	0.0
General business credit	** 28	** 2.4	**	**	0	0.0	3	0.8
Refundable prior-year minimum tax credit used to offset income tax before credits	**	**	0	0.0	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	19	1.6	**	**	3	1.1	0	0.0
Partnership and S Corporation net losses	** 217	** 18.3	** 20	** 1.2	13	4.7	** 56	** 14.5
Foreign-earned income exclusion [3]	**	**	0	0.0	3	1.1	**	**
AMT tax preference [3]	0	0.0	0	0.0	0	0.0	**	**
Nontaxable Social Security benefits [3]	30	2.5	55	3.2	6	2.2	**	**
Capital gains taxed at 0 percent	161	13.6	** 140	** 8.1	** 6	** 2.2	** 16	** 4.1
No second largest item	0	0.0	**	**	**	**	**	**

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	General business credit		Refundable prior-year minimum tax credit used to offset income tax before credits		All other refundable tax credits used to offset income tax before credits		All other tax credits	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
RETURNS WITHOUT WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	96	1.2	466	5.8	**	**	** 182	** 2.3
Interest paid deduction	** 45	** 46.9	0	0.0	**	**	** 71	** 39.0
Investment interest expense deduction [1]	**	**	0	0.0	**	**	**	**
Taxes paid deduction	12	12.5	283	60.8	**	**	** 50	** 27.5
Charitable contributions deduction	6	6.3	143	30.7	**	**	** 20	** 11.0
Medical and dental expense deduction	6	6.3	0	0.0	**	**	**	**
Net casualty or theft loss deduction	0	0.0	0	0.0	**	**	** 0	** 0.0
Total miscellaneous deductions	4	4.2	40	8.5	**	**	** 5	** 2.7
General business credit	0	0.0	0	0.0	**	**	**	**
Refundable prior-year minimum tax credit used to offset income tax before credits	0	0.0	0	0.0	**	**	** 0	** 0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	**	**	** 0	** 0.0
All other tax credits	**	**	0	0.0	**	**	** 0	** 0.0
Partnership and S Corporation net losses	** 5	** 5.2	0	0.0	**	**	** 13	** 7.1
Capital gains taxed at 0 percent	18	18.8	0	0.0	**	**	** 16	** 8.8
No second largest item	0	0.0	0	0.0	**	**	** 7	** 3.8
Returns with expanded income of \$200,000 or more								
Total	94	0.6	463	2.9	**	**	** 179	** 1.1
Interest paid deduction	** 45	** 47.9	0	0.0	**	**	** 70	** 39.1
Tax-exempt interest [3]	**	**	140	30.3	**	**	**	**
Taxes paid deduction	10	10.6	143	30.9	**	**	** 49	** 27.4
Charitable contributions deduction	8	8.5	140	30.3	**	**	** 19	** 10.6
Medical and dental expense deduction	6	6.4	0	0.0	**	**	**	**
Net casualty or theft loss deduction	0	0.0	0	0.0	**	**	** 0	** 0.0
Total miscellaneous deductions	0	0.0	40	8.6	**	**	** 5	** 2.8
General business credit	0	0.0	0	0.0	**	**	**	**
Refundable prior-year minimum tax credit used to offset income tax before credits	0	0.0	0	0.0	**	**	** 0	** 0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	**	**	** 0	** 0.0
All other tax credits	**	**	0	0.0	**	**	** 0	** 0.0
Partnership and S Corporation net losses	** 5	** 5.3	0	0.0	**	**	** 13	** 7.3
Foreign-earned income exclusion [3]	0	0.0	0	0.0	**	**	** 0	** 0.0
AMT tax preference [3]	**	**	0	0.0	**	**	** 0	** 0.0
Nontaxable Social Security benefits [3]	0	0.0	0	0.0	**	**	** 4	** 2.2
Capital gains taxed at 0 percent	** 20	** 21.3	0	0.0	**	**	** 14	** 7.8
No second largest item	0	0.0	0	0.0	**	**	** 5	** 2.8

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued					
	Partnership and S Corporation net losses		Capital gains taxed at 0 percent		Foreign-earned income exclusion [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)
RETURNS WITHOUT WORLDWIDE INCOME TAX						
Returns with adjusted gross income of \$200,000 or more						
Total	943	11.7	78	1.0	0	0.0
Interest paid deduction	43	4.6	22	28.2	0	0.0
Investment interest expense deduction [1]	271	28.7	8	10.3	0	0.0
Taxes paid deduction	143	15.2	11	14.1	0	0.0
Charitable contributions deduction	221	23.4	** 20	** 25.6	0	0.0
Medical and dental expense deduction	15	1.6	**	**	0	0.0
Net casualty or theft loss deduction	**	**	**	**	0	0.0
Total miscellaneous deductions	** 175	** 18.6	** 4	** 5.1	0	0.0
General business credit	16	1.7	4	5.1	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	10	1.1	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other tax credits	12	1.3	4	5.1	0	0.0
Partnership and S Corporation net losses	0	0.0	** 5	** 6.4	0	0.0
Capital gains taxed at 0 percent	37	3.9	0	0.0	0	0.0
No second largest item	0	0.0	**	**	0	0.0
Returns with expanded income of \$200,000 or more						
Total	1,044	6.5	249	1.5	** 245	** 1.5
Interest paid deduction	36	3.4	164	65.9	** 71	** 29.0
Tax-exempt interest [3]	452	43.3	17	6.8	** 6	** 2.4
Taxes paid deduction	133	12.7	13	5.2	** 46	** 18.8
Charitable contributions deduction	218	20.9	22	8.8	** 9	** 3.7
Medical and dental expense deduction	** 15	** 1.4	9	3.6	** 10	** 4.1
Net casualty or theft loss deduction	**	**	0	0.0	** 0	** 0.0
Total miscellaneous deductions	114	10.9	8	3.2	** 3	** 1.2
General business credit	** 19	** 1.8	5	2.0	** 0	** 0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	**	**	0	0.0	** 0	** 0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	** 0	** 0.0
All other tax credits	13	1.2	3	1.2	** 5	** 2.0
Partnership and S Corporation net losses	0	0.0	**	**	** 4	** 1.6
Foreign-earned income exclusion [3]	0	0.0	0	0.0	** 0	** 0.0
AMT tax preference [3]	**	**	0	0.0	** 0	** 0.0
Nontaxable Social Security benefits [3]	**	**	**	**	**	**
Capital gains taxed at 0 percent	** 44	** 4.2	0	0.0	**	**
No second largest item	0	0.0	** 8	** 3.2	** 91	** 37.1

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2010—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued					
	Tax-exempt interest [3]		AMT tax preference [3]		Nontaxable Social Security benefits [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(31)	(32)	(33)	(34)	(35)	(36)
RETURNS WITHOUT WORLDWIDE INCOME TAX						
Returns with adjusted gross income of \$200,000 or more						
Total	0	0.0	0	0.0	0	0.0
Interest paid deduction	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more						
Total	9,655	60.0	**	**	10	0.1
Interest paid deduction	551	5.7	**	**	3	30.0
Tax-exempt interest [3]	0	0.0	**	**	0	0.0
Taxes paid deduction	2,416	25.0	**	**	0	0.0
Charitable contributions deduction	1,483	15.4	**	**	0	0.0
Medical and dental expense deduction	1,631	16.9	**	**	**	**
Net casualty or theft loss deduction	19	0.2	**	**	0	0.0
Total miscellaneous deductions	1,225	12.7	**	**	** 3	** 30.0
General business credit	13	0.1	**	**	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	3	[2]	**	**	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	**	**	0	0.0
All other tax credits	50	0.5	**	**	0	0.0
Partnership and S Corporation net losses	1,092	11.3	**	**	**	**
Foreign-earned income exclusion [3]	7	0.1	**	**	0	0.0
AMT tax preference [3]	**	**	**	**	0	0.0
Nontaxable Social Security benefits [3]	282	2.9	**	**	0	0.0
Capital gains taxed at 0 percent	** 691	** 7.2	**	**	**	**
No second largest item	192	2.0	**	**	** 4	** 40.0

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

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

[2] Less than 0.05 percent.

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

NOTES: Detail may not add to totals because of rounding. Total columns do not include returns with no tax effect. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

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Table 9. Returns Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2010

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income		
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent
	(1)	(2)	(3)	(4)	(5)
Adjusted gross income concept					
Total itemized deductions	19,003	4,947	2,968	2,016	487
Interest paid deduction:					
Total	19,003	8,178	6,332	1,533	1,013
Investment interest expense deduction per income concept	19,003	13,871	2,940	444	407
Taxes paid deduction	19,003	5,896	8,991	2,408	804
Charitable contributions deduction	19,003	7,928	7,327	771	439
Medical and dental expense deduction	19,003	16,858	614	166	98
Net casualty or theft loss deduction	19,003	18,696	10	8	3
Net limited miscellaneous deduction per income concept	19,003	14,189	2,379	1,068	481
Non-limited miscellaneous deduction	19,003	14,868	1,751	76	73
Deduction equivalent of:					
Total credits	19,003	6,621	539	372	255
Foreign tax credit	19,003	8,046	1,056	87	73
General business credit	19,003	18,247	281	134	85
Refundable prior-year minimum tax credit used to offset income tax before credits	19,003	17,463	677	39	13
All other refundable credits used to offset income tax before credits	19,003	** 19,003	0	0	0
Tax preferences excluded from adjusted gross income	19,003	12,880	3,774	693	350
Nontaxable Social Security benefits	19,003	15,220	3,778	6	0
Capital gains taxed at 0 percent	19,003	15,582	1,463	1,035	735
Expanded income concept					
Total itemized deductions	32,441	9,335	5,253	4,638	2,531
Interest paid deduction:					
Total	32,441	20,393	8,400	2,349	979
Investment interest expense deduction per income concept	32,441	25,909	5,352	452	177
Taxes paid deduction	32,441	10,761	14,868	4,513	1,271
Charitable contributions deduction	32,441	13,215	13,539	2,154	1,258
Medical and dental expense deduction	32,441	23,514	5,105	950	501
Net casualty or theft loss deduction	32,441	32,095	34	12	5
Net limited miscellaneous deduction per income concept	32,441	20,400	7,253	2,557	1,155
Non-limited miscellaneous deduction	32,441	29,395	2,827	87	27
Deduction equivalent of:					
Total credits	32,441	14,251	1,601	563	440
Foreign tax credit	32,441	16,095	1,759	231	244
General business credit	32,441	31,648	341	111	78
Refundable prior-year minimum tax credit used to offset income tax before credits	32,441	30,925	656	44	17
All other refundable credits used to offset income tax before credits	32,441	32,296	** 145	0	0
Tax preferences excluded from adjusted gross income	32,441	15,170	3,522	1,075	1,099
Nontaxable Social Security benefits	32,441	22,777	9,651	** 14	**
Capital gains taxed at 0 percent	32,441	24,424	4,296	2,219	1,144

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 9. Returns Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2010—Continued

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income—continued					
	30 percent under 40 percent	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(6)	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept						
Total itemized deductions	264	267	315	490	3,110	4,140
Interest paid deduction:						
Total	461	279	219	236	453	298
Investment interest expense deduction per income concept	231	190	214	129	346	231
Taxes paid deduction	351	166	127	63	92	104
Charitable contributions deduction	537	382	** 1,560	**	10	48
Medical and dental expense deduction	115	88	128	146	527	263
Net casualty or theft loss deduction	9	6	8	20	88	155
Net limited miscellaneous deduction per income concept	298	169	101	86	113	119
Non-limited miscellaneous deduction	43	48	61	76	1,165	841
Deduction equivalent of:						
Total credits	282	512	550	359	5,730	3,782
Foreign tax credit	132	325	355	281	4,884	3,764
General business credit	71	77	71	24	10	3
Refundable prior-year minimum tax credit used to offset income tax before credits	15	40	33	3	** 720	**
All other refundable credits used to offset income tax before credits	0	**	0	0	0	0
Tax preferences excluded from adjusted gross income	275	181	134	120	208	389
Nontaxable Social Security benefits	0	0	0	0	0	0
Capital gains taxed at 0 percent	188	0	0	0	0	0
Expanded income concept						
Total itemized deductions	2,150	1,649	1,460	1,195	2,592	1,638
Interest paid deduction:						
Total	207	37	17	18	28	13
Investment interest expense deduction per income concept	238	83	52	44	49	85
Taxes paid deduction	428	183	145	71	116	84
Charitable contributions deduction	836	739	350	205	95	51
Medical and dental expense deduction	418	379	321	306	687	261
Net casualty or theft loss deduction	8	11	15	20	96	145
Net limited miscellaneous deduction per income concept	471	223	120	66	104	93
Non-limited miscellaneous deduction	25	10	13	8	15	34
Deduction equivalent of:						
Total credits	607	1,001	1,222	2,599	10,141	15
Foreign tax credit	413	778	1,107	2,380	9,421	13
General business credit	65	86	76	23	** 13	**
Refundable prior-year minimum tax credit used to offset income tax before credits	36	40	4	140	579	0
All other refundable credits used to offset income tax before credits	0	**	0	0	0	0
Tax preferences excluded from adjusted gross income	1,115	1,272	1,460	1,655	5,118	954
Nontaxable Social Security benefits	**	**	0	0	**	0
Capital gains taxed at 0 percent	358	0	0	0	0	0

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

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

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Table 10. Returns Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2010

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income		
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent
	(1)	(2)	(3)	(4)	(5)
Adjusted gross income concept					
Total itemized deductions	8,046	21	32	490	60
Interest paid deduction:					
Total	8,046	2,186	2,450	863	786
Investment interest expense deduction per income concept	8,046	4,376	1,720	341	365
Taxes paid deduction	8,046	120	4,926	1,525	661
Charitable contributions deduction	8,046	1,290	3,774	499	325
Medical and dental expense deduction	8,046	6,130	469	141	89
Net casualty or theft loss deduction	8,046	7,749	7	** 7	**
Net limited miscellaneous deduction per income concept	8,046	4,440	1,473	877	412
Non-limited miscellaneous deduction	8,046	4,480	1,280	54	35
Deduction equivalent of:					
Total credits	8,046	6,621	268	180	88
Foreign tax credit	8,046	8,046	0	0	0
General business credit	8,046	7,613	132	93	41
Refundable prior-year minimum tax credit used to offset income tax before credits	8,046	7,471	61	** 8	**
All other refundable credits used to offset income tax before credits	8,046	** 8,046	0	0	0
Tax preferences excluded from adjusted gross income	8,046	4,095	1,955	560	287
Nontaxable Social Security benefits	8,046	5,000	3,046	0	0
Capital gains taxed at 0 percent	8,046	5,811	943	680	515
Expanded income concept					
Total itemized deductions	16,082	1,164	951	2,587	1,852
Interest paid deduction:					
Total	16,082	10,103	3,446	1,491	761
Investment interest expense deduction per income concept	16,082	11,204	3,880	369	149
Taxes paid deduction	16,082	1,223	9,266	3,506	1,156
Charitable contributions deduction	16,082	2,414	8,943	1,750	1,057
Medical and dental expense deduction	16,082	7,839	4,570	883	479
Net casualty or theft loss deduction	16,082	15,749	30	7	3
Net limited miscellaneous deduction per income concept	16,082	5,715	5,966	2,274	1,076
Non-limited miscellaneous deduction	16,082	13,589	2,307	74	20
Deduction equivalent of:					
Total credits	16,082	14,238	733	147	92
Foreign tax credit	16,082	16,082	0	0	0
General business credit	16,082	15,709	124	52	33
Refundable prior-year minimum tax credit used to offset income tax before credits	16,082	15,501	70	11	6
All other refundable credits used to offset income tax before credits	16,082	15,940	** 142	0	0
Tax preferences excluded from adjusted gross income	16,082	1,968	1,433	877	936
Nontaxable Social Security benefits	16,082	7,535	** 8,547	**	**
Capital gains taxed at 0 percent	16,082	10,342	3,114	1,567	789

Footnotes at end of table.

High-Income Tax Returns for 2010

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Table 10. Returns Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, as Percentages of Income, Tax Year 2010—Continued

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income—continued					
	30 percent under 40 percent	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(6)	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept						
Total itemized deductions	65	86	115	263	2,777	4,137
Interest paid deduction:						
Total	367	237	198	220	440	298
Investment interest expense deduction per income concept	189	167	201	121	335	231
Taxes paid deduction	326	147	87	58	91	104
Charitable contributions deduction	404	320	1,375	0	10	48
Medical and dental expense deduction	105	74	118	141	516	263
Net casualty or theft loss deduction	8	6	8	20	86	155
Net limited miscellaneous deduction per income concept	269	160	99	83	113	119
Non-limited miscellaneous deduction	41	42	54	70	1,149	841
Deduction equivalent of:						
Total credits	82	133	104	47	520	3
Foreign tax credit	0	0	0	0	0	0
General business credit	45	58	38	16	** 10	**
Refundable prior-year minimum tax credit used to offset income tax before credits	9	40	32	0	** 425	**
All other refundable credits used to offset income tax before credits	0	**	0	0	0	0
Tax preferences excluded from adjusted gross income	232	150	116	110	185	355
Nontaxable Social Security benefits	0	0	0	0	0	0
Capital gains taxed at 0 percent	97	0	0	0	0	0
Expanded income concept						
Total itemized deductions	1,787	1,387	1,243	1,044	2,431	1,636
Interest paid deduction:						
Total	175	32	16	18	28	13
Investment interest expense deduction per income concept	221	66	38	34	42	78
Taxes paid deduction	392	166	105	69	115	84
Charitable contributions deduction	678	606	299	194	91	51
Medical and dental expense deduction	402	360	309	297	682	261
Net casualty or theft loss deduction	8	11	15	19	95	145
Net limited miscellaneous deduction per income concept	456	217	117	64	104	93
Non-limited miscellaneous deduction	21	9	11	8	13	30
Deduction equivalent of:						
Total credits	103	140	58	189	** 381	**
Foreign tax credit	0	0	0	0	0	0
General business credit	43	61	33	17	** 10	**
Refundable prior-year minimum tax credit used to offset income tax before credits	30	40	0	140	283	0
All other refundable credits used to offset income tax before credits	0	**	0	0	0	0
Tax preferences excluded from adjusted gross income	975	1,132	1,317	1,518	4,971	954
Nontaxable Social Security benefits	0	**	0	0	**	0
Capital gains taxed at 0 percent	270	0	0	0	0	0

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

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

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Table 11. Returns With and Without U.S. Income Tax: Number and Percentages of Returns, by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2010

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of adjusted gross income							
			Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	142,892,051	100.0	94,065,541	100.0	30,532,552	100.0	13,997,651	100.0	4,296,307	100.0
Returns without U.S. income tax	58,416,118	40.9	55,888,271	59.4	2,381,400	7.8	127,444	0.9	19,003	0.4
Returns with U.S. income tax	84,475,933	59.1	38,177,270	40.6	28,151,152	92.2	13,870,207	99.1	4,277,304	99.6
Effective tax rate:										
Under 5 percent	26,926,998	18.8	19,510,140	20.7	6,586,343	21.6	784,386	5.6	46,129	1.1
5 under 10 percent	33,358,806	23.3	16,607,937	17.7	13,047,553	42.7	3,619,796	25.9	83,520	1.9
10 under 15 percent	15,583,218	10.9	2,010,757	2.1	6,566,630	21.5	6,594,434	47.1	411,397	9.6
15 under 20 percent	6,069,623	4.2	22,310	[2]	1,944,164	6.4	2,501,794	17.9	1,601,355	37.3
20 under 25 percent	1,719,917	1.2	11,164	[2]	4,056	[2]	365,474	2.6	1,339,223	31.2
25 under 30 percent	736,416	0.5	3,366	[2]	1,882	[2]	3,550	[2]	727,618	16.9
30 under 35 percent	70,584	[2]	3,364	[2]	299	[2]	361	[2]	66,561	1.5
35 under 40 percent	1,173	[2]	146	[2]	112	[2]	0	0.0	916	[2]
40 under 45 percent	346	[2]	182	[2]	31	[2]	3	[2]	130	[2]
45 under 50 percent	99	[2]	6	[2]	11	[2]	6	[2]	76	[2]
50 under 60 percent	984	[2]	403	[2]	4	[2]	298	[2]	279	[2]
60 under 70 percent	80	[2]	6	[2]	9	[2]	** 53	** [2]	12	[2]
70 under 80 percent	90	[2]	45	[2]	0	0.0	**	**	44	[2]
80 percent or more	7,597	[2]	7,443	[2]	56	[2]	53	[2]	45	[2]

Tax status, effective tax rate	Total		Size of expanded income							
			Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	142,892,051	100.0	91,885,355	100.0	32,647,401	100.0	14,011,538	100.0	4,347,756	100.0
Returns without U.S. income tax	58,416,118	40.9	55,303,767	60.2	2,901,352	8.9	178,558	1.3	32,441	0.7
Returns with U.S. income tax	84,475,933	59.1	36,581,589	39.8	29,746,049	91.1	13,832,981	98.7	4,315,315	99.3
Effective tax rate:										
Under 5 percent	27,724,284	19.4	18,752,580	20.4	8,152,271	25.0	751,297	5.4	68,135	1.6
5 under 10 percent	32,645,765	22.8	15,770,327	17.2	13,186,917	40.4	3,575,065	25.5	113,455	2.6
10 under 15 percent	15,502,063	10.8	2,015,724	2.2	6,414,988	19.6	6,640,491	47.4	430,860	9.9
15 under 20 percent	6,103,911	4.3	21,714	[2]	1,985,223	6.1	2,499,588	17.8	1,597,386	36.7
20 under 25 percent	1,709,794	1.2	9,336	[2]	4,854	[2]	361,776	2.6	1,333,829	30.7
25 under 30 percent	714,670	0.5	3,358	[2]	296	[2]	3,350	[2]	707,667	16.3
30 under 35 percent	67,708	[2]	3,000	[2]	1,007	[2]	936	[2]	62,765	1.4
35 under 40 percent	1,250	[2]	3	[2]	398	[2]	** 49	** [2]	801	[2]
40 under 45 percent	134	[2]	35	[2]	29	[2]	**	**	68	[2]
45 under 50 percent	1,045	[2]	1,003	[2]	** 13	** [2]	0	0.0	30	[2]
50 under 60 percent	444	[2]	138	[2]	0	0.0	12	[2]	293	[2]
60 under 70 percent	311	[2]	6	[2]	0	0.0	** 296	** [2]	** 12	** [2]
70 under 80 percent	12	[2]	8	[2]	**	**	**	**	**	**
80 percent or more	4,541	[2]	4,354	[2]	53	[2]	121	[2]	13	[2]

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

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

[2] Less than 0.05 percent.

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

High-Income Tax Returns for 2010

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Table 12. Returns With and Without Worldwide Income Tax: Number and Percentages of Returns, by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2010

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of adjusted gross income							
			Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	142,892,051	100.0	94,065,541	100.0	30,532,552	100.0	13,997,651	100.0	4,296,307	100.0
Returns without worldwide income tax	57,994,819	40.6	55,626,241	59.1	2,258,209	7.4	102,324	0.7	8,046	0.2
Returns with worldwide income tax	84,897,232	59.4	38,439,301	40.9	28,274,343	92.6	13,895,326	99.3	4,288,261	99.8
Effective tax rate:										
Under 5 percent	27,174,492	19.0	19,715,491	21.0	6,656,934	21.8	776,080	5.5	25,987	0.6
5 under 10 percent	33,373,884	23.4	16,638,920	17.7	13,058,553	42.8	3,606,965	25.8	69,446	1.6
10 under 15 percent	15,590,583	10.9	2,021,602	2.1	6,580,879	21.6	6,591,936	47.1	396,166	9.2
15 under 20 percent	6,100,923	4.3	22,839	[2]	1,961,174	6.4	2,517,266	18.0	1,599,644	37.2
20 under 25 percent	1,746,236	1.2	11,714	[2]	5,443	[2]	383,036	2.7	1,346,042	31.3
25 under 30 percent	766,480	0.5	4,747	[2]	2,213	[2]	7,260	0.1	752,259	17.5
30 under 35 percent	88,228	0.1	3,368	[2]	1,140	[2]	2,131	[2]	81,589	1.9
35 under 40 percent	14,517	[2]	149	[2]	1,069	[2]	2,188	[2]	11,111	0.3
40 under 45 percent	7,940	[2]	1,184	[2]	160	[2]	3,298	[2]	3,298	0.1
45 under 50 percent	4,014	[2]	10	[2]	354	[2]	1,800	[2]	1,850	[2]
50 under 60 percent	9,693	[2]	3,407	[2]	2,843	[2]	2,718	[2]	724	[2]
60 under 70 percent	2,958	[2]	1,018	[2]	1,705	[2]	205	[2]	29	[2]
70 under 80 percent	831	[2]	58	[2]	372	[2]	353	[2]	47	[2]
80 percent or more	16,453	[2]	14,793	[2]	1,502	[2]	88	[2]	69	[2]

Tax status, effective tax rate	Total		Size of expanded income							
			Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	142,892,051	100.0	91,885,355	100.0	32,647,401	100.0	14,011,538	100.0	4,347,756	100.0
Returns without worldwide income tax	57,994,819	40.6	55,071,673	59.9	2,769,214	8.5	137,850	1.0	16,082	0.4
Returns with worldwide income tax	84,897,232	59.4	36,813,682	40.1	29,878,188	91.5	13,873,688	99.0	4,331,674	99.6
Effective tax rate:										
Under 5 percent	27,973,400	19.6	18,953,096	20.6	8,236,880	25.2	741,163	5.3	42,261	1.0
5 under 10 percent	32,654,487	22.9	15,790,491	17.2	13,199,036	40.4	3,571,045	25.5	93,915	2.2
10 under 15 percent	15,515,171	10.9	2,024,586	2.2	6,432,875	19.7	6,641,463	47.4	416,246	9.6
15 under 20 percent	6,146,933	4.3	23,222	[2]	1,999,757	6.1	2,525,257	18.0	1,598,697	36.8
20 under 25 percent	1,753,286	1.2	9,886	[2]	6,847	[2]	384,201	2.7	1,352,351	31.1
25 under 30 percent	754,256	0.5	3,740	[2]	296	[2]	6,820	[2]	743,400	17.1
30 under 35 percent	88,614	0.1	3,000	[2]	2,004	[2]	3,229	[2]	80,380	1.8
35 under 40 percent	4,158	[2]	3	[2]	398	[2]	66	[2]	3,691	0.1
40 under 45 percent	337	[2]	35	[2]	29	[2]	** 12	** [2]	261	[2]
45 under 50 percent	1,108	[2]	1,003	[2]	** 13	** [2]	**	**	91	[2]
50 under 60 percent	478	[2]	138	[2]	0	0.0	14	[2]	326	[2]
60 under 70 percent	321	[2]	6	[2]	0	0.0	** 296	** [2]	** 22	** [2]
70 under 80 percent	12	[2]	8	[2]	**	**	**	**	**	**
80 percent or more	4,673	[2]	4,466	[2]	53	[2]	122	[2]	31	[2]

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

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

[2] Less than 0.05 percent.

NOTES: Detail may not add to totals because of rounding. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data of the Tax Years 2007 and 2008 published tables.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

by Janette Wilson and Pearson Liddell

From Tax Years 2007 to 2009, capital gains declined \$616 billion, or 55.7 percent, from \$1.1 trillion to \$490.8 billion. During this same period, capital losses rose from \$192.8 billion to \$453.8 billion, an increase of \$261 billion or 135.2 percent. In terms of capital gains less losses, net gains declined by over 90 percent, from \$914 billion in 2007 to \$37 billion in 2009.¹

Passthrough entities and corporate stock made up the largest categories in terms of gains and losses during the 3-year period. In 2007, taxpayers reported \$384.8 billion gains (34.8 percent of total gains) from passthrough entities and \$320.1 billion gains (28.9 percent of total gains) from corporate stock sales. These amounts decreased between 2007 and 2009 by 63.9 percent and 48.5 percent, respectively, when taxpayers reported \$138.8 billion in gains for passthrough entities and \$164.8 billion in gains for corporate stock.

In terms of losses, taxpayers realized \$17.9 billion in capital losses for passthrough entities in 2007. Losses for corporate stock sales amounted to \$92.2 billion, making up 47.8 percent of all net capital losses for the year. For these sales types, losses for passthrough entities rose more than 300 percent to \$77.3 in 2009, while losses from corporate stock sales increased 71.4 percent to \$158 billion. Net gains less losses for passthrough entities declined over \$305 billion for the 3-year period. This decline was from \$366.9 billion in 2007 to \$61.5 billion in 2009. Net gains from corporate stock sales also decreased by about \$221 billion, from \$227.9 billion to \$6.8 billion during this period.

This article presents data from Sales of Capital Assets (SOCA) from Tax Years 2007, 2008, and 2009. For 2007, the Internal Revenue Service (IRS), Statistics of Income (SOI) Division drew a subsample of the individual cross section to provide a detailed analysis of types of capital gains. In 2007, the SOI also started a new panel sample of individual income tax returns. This panel was designed for longitudinal analyses and cross-sectional estimations. To make the sample more representative of the out-year population, a small refreshment sample is added each year. Together, returns from the panel and refreshment samples make up the SOCA cross-sectional data sample used in this article. See Data Sources and Limitations Section for more details.

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

Description of Basic Tables

Tables 1 through 4 present detailed data on sales of capital assets for Tax Years 2008 and 2009. Tables 1 and 2 show aggregated data from transactions reported on the following tax forms: Form 1040, Schedule D (*U.S. Individual Income Tax Return, Capital Gains and Losses and Reconciliation of Forms 1099B*); Form 4797 (*Sale of Business Property*); Form 6252 (*Installment Sale Income*); Form 8824 (*Like-Kind Exchanges*); Form 4684 (*Casualties and Thefts*); Form 2439 (*Notice to Shareholder of Undistributed Long-Term Capital Gains*); and Form 6781 (*Gains and Losses from Section 1256 Contracts and Straddles*). Capital gains and losses reported on other forms and carried to Schedule D were also included. Specifically, Table 1 shows the distribution of gain, loss, and no gain or loss realized transactions by asset type and length of time held (short- or long-term). Capital gain distributions and passthrough income from partnerships, S corporations, and estates and trusts were counted as one transaction even though the gains or losses may have been from more than one entity and reflect many transactions at the entity level. Table 2 shows the distribution of short- and long-term gains and losses by adjusted gross income (AGI) group for selected asset types. Tables 3 and 4 present data on months of sale and holding periods. Specifically, Table 3 shows the distributions of transactions by month of sale for selected asset types. Table 4 shows the distribution of transactions by holding period for selected asset types.

Capital Gains and Losses

A comparison of capital gains, losses, and net capital gains less losses for Tax Years 2007 through 2009 showed large contrasts (Figure A). Taxpayers reported the highest amount of capital gains (\$1.1 trillion) in 2007. Capital gains declined 29.8 percent to \$776.8 million between 2007 and 2008. These gains further declined 36.8 percent to \$490.8 million in 2009.

In terms of losses, taxpayers reported the most losses in 2008 when \$591.6 billion were realized, an increase of more than 200 percent from the 2007 amount of \$192.8 billion. The amount of losses reported on returns decreased 23.3 percent between 2008 and 2009 to \$453.8 billion. Capital gains less losses were by far highest in 2007 when \$914.0 billion net gains were realized by taxpayers. In 2008 net gains declined 79.7 percent from the 2007 amount to \$185.1 billion. For 2009, taxpayers realized \$37.0 billion in net capital gains, an 80.0-percent

¹ Data presented here are based on the tax year, which runs from January 1 to December 31, unless otherwise noted. Tax Year 2007 data and associated tables were first presented in "Sales of Capital Assets Reported on Individual Tax Returns, 2007," *Statistics of Income Bulletin*, Winter 2010, IRS Publication 1136, Volume 29, Number 3, pp. 76-105. Although comparisons to these data are made in the figures, the tables in this article are for Tax Years 2008 and 2009.

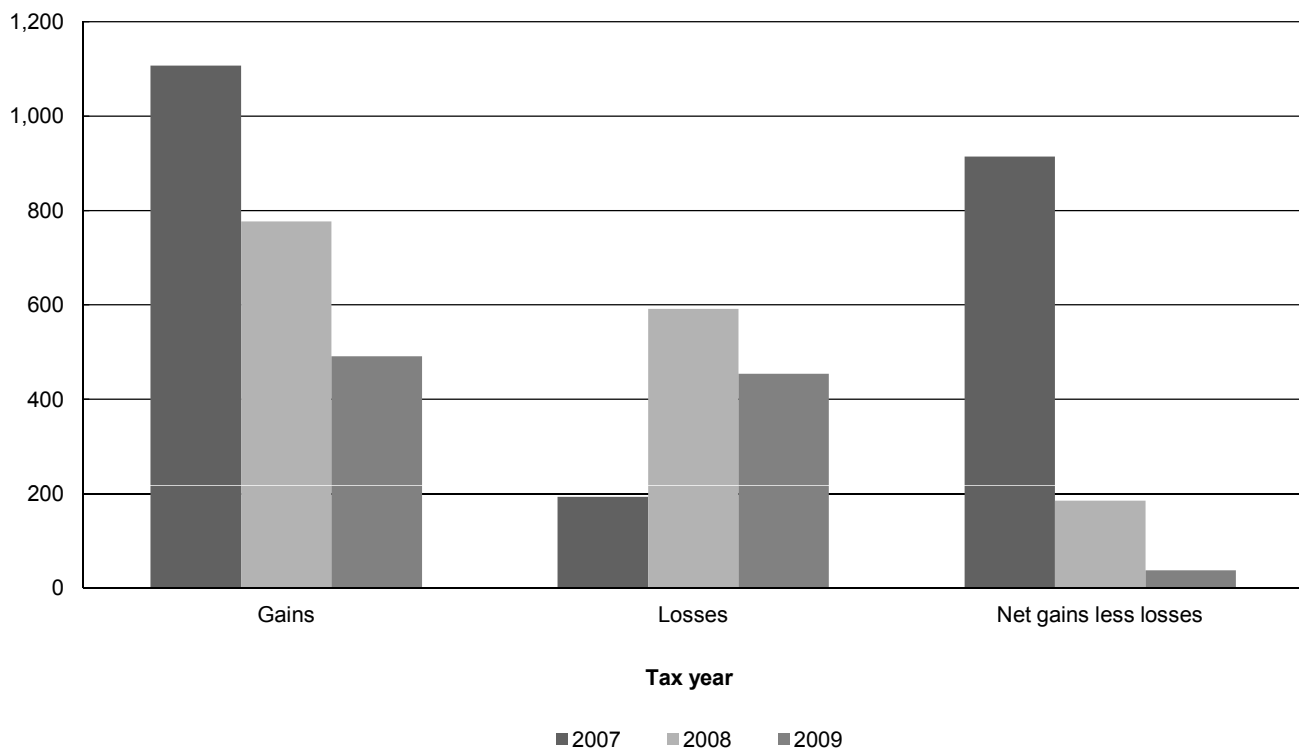
Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Figure A

Gains, Losses, and Net Gain Less Losses from Sales of Capital Assets, Tax Years 2007–2009

Billions of dollars



decline from 2008 and an overall decline of almost 96 percent from the 2007 amount.

A comparison of short- and long-term capital gains and losses shows as with total gains, taxpayers reported the most long-term gains (\$970.4 billion) in 2007 (Figure B). Long-term gains declined to \$640.5 billion (down 34.0 percent) in 2008, and declined again to \$318.0 billion (down 50.4 percent) in 2009. In comparison, taxpayers reported short-term gains of \$136.5 billion and \$136.3 billion in Tax Years 2007 and 2008, respectively. Gains realized of this type increased 26.9 percent to \$172.9 billion in 2009.

In terms of losses, taxpayers realized an increasing amount of long-term losses during the 3-year period. Taxpayers reported long-term losses of \$97.4 billion in 2007. These losses increased 178.3 percent to \$271.1 billion in 2008 and 9.4 percent to \$296.5 billion in 2009. In contrast, taxpayers realized short-term losses of \$95.4 billion in 2007. Short-term losses increased significantly (by 236 percent) to \$320.5 billion the following year, before declining 50.9 percent to \$157.3 billion in 2009.

Capital Asset Transactions and Reported Sales Prices

Corporate stock sales made up the largest share of capital asset transactions during the 3-year period (Figure C). Taxpayers reported 175.5 million corporate stock transactions with a total sales price of \$2.6 trillion in 2007. Corporate stock transactions increased to 201.6 million for 2008, representing 58.5 percent of the total number of corporate stock transactions for the year, while the sales price amount declined 16.2 percent to \$2.2 trillion. In 2009, corporate stock transactions declined to 151.8 million (down 24.7 percent), while sales prices decreased to \$1.8 trillion (down 15.1 percent). Overall, corporate stock transactions and sale prices dropped 13.5 and 28.8 percent, respectively, from 2007 through 2009.

In terms of the number of transactions reported in 2007, mutual funds made up the next largest group of capital assets, with a total sales and sale price of 44.9 million and \$538.7 billion, respectively. These amounts increased to 78.3 million transactions (22.7 percent of the total number) in 2008 with a sale price of \$770.3 billion

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Figure B

Short- and Long-Term Gains and Losses from Sales of Capital Assets, Tax Years 2007–2009

Billions of dollars

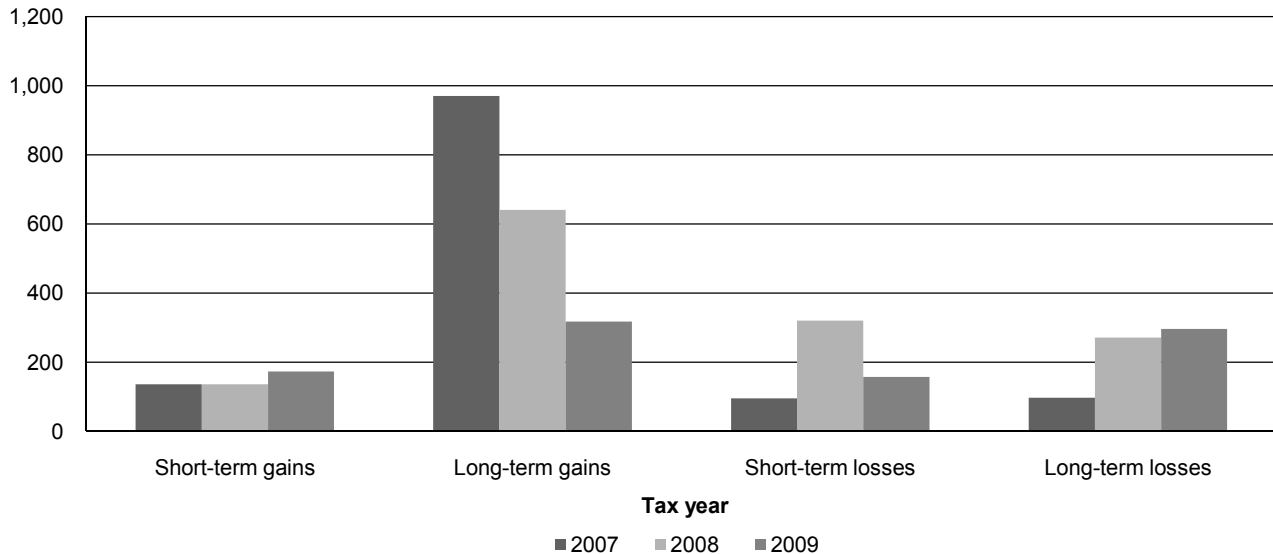


Figure C

Number of Transactions and Sales Price from Sales of Capital Assets, by Selected Asset Types, Tax Years 2007–2009

[Amounts are in thousands of dollars]

Asset type	2007				2008	
	Number of transactions	Percent of total	Sales price	Percent of total	Number of transactions	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	283,135	100.0	5,335,639,612	100.0	344,559	100.0
Corporate stock	175,535	62.0	2,577,754,682	48.3	201,625	58.5
Mutual funds, except tax-exempt bond funds	44,852	15.8	538,678,122	10.1	78,296	22.7
Partnership, S corporation, and estate or trust interests	4,835	1.7	134,611,252	2.5	4,662	1.4
Real estate	2,607	0.9	364,249,251	6.8	1,987	0.6
Passthrough gains or losses	5,293	1.9	N/A	N/A	5,690	1.7
Capital gain distributions	15,702	5.5	N/A	N/A	11,495	3.3

Asset type	2008—continued		2009			
	Sales price	Percent of total	Number of transactions	Percent of total	Sales price	Percent of total
	(7)	(8)	(9)	(10)	(11)	(12)
Total	5,762,617,013	100.0	264,098	100.0	4,350,017,979	100.0
Corporate stock	2,160,848,477	37.5	151,796	57.5	1,835,053,321	42.2
Mutual funds, except tax-exempt bond funds	770,313,172	13.4	60,606	22.9	570,777,804	13.1
Partnership, S corporation, and estate or trust interests	196,374,306	3.4	3,758	1.4	86,427,812	2.0
Real estate	255,032,175	4.4	1,758	0.7	182,729,309	4.2
Passthrough gains or losses	N/A	N/A	5,446	2.1	N/A	N/A
Capital gain distributions	N/A	N/A	4,224	1.6	N/A	N/A

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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(13.4 percent of the total sales price). In 2009, mutual fund transactions declined to 60.6 million and the total sale price decreased to \$570.8 billion.

Net Gains Less Losses for Sales of Capital Assets

Taxpayers reported the most gains for passthrough entities during this period (Figure D). In 2007, taxpayers realized \$366.9 billion from passthrough entities, the highest gains for this asset category over the 2007 through 2009 period. Passthrough gains declined to \$156.5 billion (down 57.3 percent) in 2008 and to \$61.5 billion (down 60.7 percent) in 2009. Corporate stock sales, the second largest group, also showed a significant decrease during the 3-year period. In 2007, taxpayers realized net gains of \$227.9 billion from corporate stock sales. These net gains declined 91.4 percent to \$19.6 billion the following year, before declining 65.5 percent to \$6.8 billion in 2009. Overall, while taxpayers reported net gains (though

precipitously smaller than for 2007) in most of the major asset categories, they realized losses from sales of mutual funds of \$83.5 billion and \$49.5 billion in 2008 and 2009, respectively.

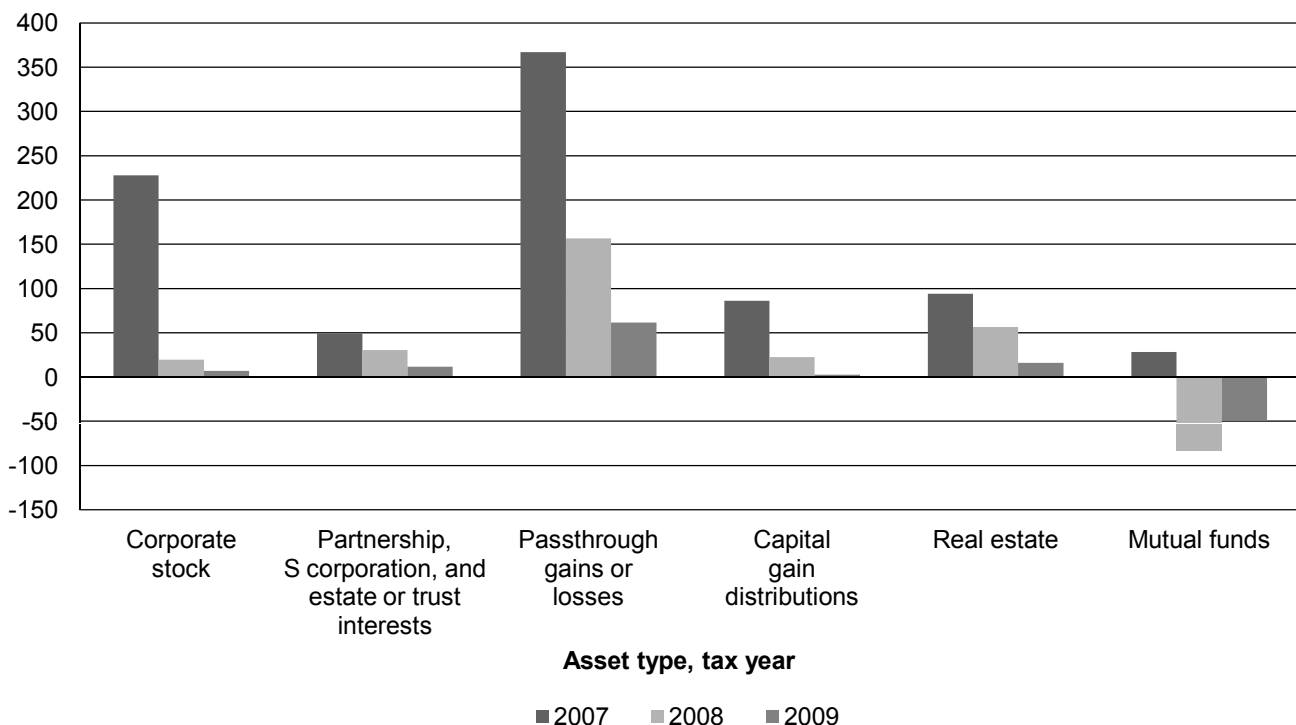
In 2007, passthrough entities made up the largest net gain category reported by taxpayers, followed by corporate stock (Figure E). Taxpayers reported \$366.9 billion net gains less losses for passthrough entities during the year. Gains accounted for \$384.8 billion and losses made up \$17.9 billion of this amount. Corporate stock showed \$227.9 billion net gains less losses in 2007. Of this amount, gains accounted for \$320.1 billion and losses made up \$92.2 billion. Losses from corporate stock sales were significantly higher than for all other groups, including \$17.9 billion in losses from passthrough entities.

In comparison, in 2008, passthrough entities and real estate made up the two largest net gains categories. Passthrough entities had \$250.9 billion gains offset by \$94.4 billion losses for a net of \$156.5 billion realized

Figure D

Net Gains Less Losses from Sales of Capital Assets, by Selected Asset Type, Tax Years 2007–2009

Billions of dollars



Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Figure E

Gains, Losses, and Net Gains Less Losses from Sales of Capital Assets, by Selected Asset Type, Tax Years 2007–2009

[Amounts are in thousands of dollars]

Asset type	2007			2008			2009		
	Gains	Losses	Net gains less losses	Gains	Losses	Net gains less losses	Gains	Losses	Net gains less losses
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total	1,106,865,343	192,823,303	914,042,040	776,758,505	591,631,343	185,127,161	490,842,677	453,835,021	37,007,656
Corporate stock	320,121,692	92,222,217	227,899,475	249,109,073	229,465,173	19,643,900	164,817,073	158,031,740	6,785,333
Mutual funds, except tax-exempt bond funds	43,612,621	15,483,232	28,129,389	31,875,077	115,371,277	-83,496,200	23,417,974	72,918,488	-49,500,514
Partnership, S corporation, and estate or trust interests	58,928,225	9,783,092	49,145,134	48,251,939	17,786,357	30,465,582	28,558,306	16,850,063	11,708,243
Real estate	101,876,607	7,941,319	93,935,287	68,760,840	12,196,515	56,564,325	35,946,645	20,093,464	15,853,181
Passthrough gains or losses	384,769,237	17,859,829	366,909,407	250,897,738	94,407,807	156,489,932	138,771,892	77,291,623	61,480,269
Capital gain distributions	86,029,074	0	86,029,074	22,585,315	0	22,585,315	2,454,426	0	2,454,426

for the year. Real estate sales made up the next highest group, with \$68.8 billion gains offset by \$12.1 billion losses, resulting in a net of \$56.6 billion. However, corporate stocks had significantly higher gains (\$249.1 billion) for the year. In terms of losses, corporate stocks and mutual funds made up the two largest categories in 2008. Corporate stock sales lost \$229.5 billion, leading to a net of just \$19.6 billion realized for the year. These losses were almost double that of mutual funds (\$115.4 billion).

In 2009, taxpayers reported \$61.5 billion net income from passthrough entities. This net income included \$138.8 billion in gains and \$77.3 billion in losses. During this year, taxpayers also reported \$164.8 billion in corporate stock gains, which was considerably higher than gains realized from passthrough entities. However, losses from the sale of stock were almost as high (\$158.0 billion), resulting in just \$6.8 billion in net gains less losses. Although real estate net gains at \$15.9 billion was the second highest net gain category, taxpayers realized gains of only \$35.9 billion while losses grew to \$20.1 billion.

Capital Gains and Losses by Adjusted Gross Income

Taxpayers with an AGI over \$1,000,000 reported the highest capital gains less losses for the 3-year period (Figure F). In 2007, these taxpayers reported net gains of \$584.3 billion. These gains declined to \$259.5 billion in 2008 and \$123.0 billion in 2009. In comparison, taxpayers with an AGI of \$200,000 under \$500,000 reported

the next highest amount of net gains (\$106.6 billion) for the year. For 2008, taxpayers in the \$500,000 under \$1,000,000 AGI class realized the second largest amount of net gains or \$15.1 billion for the year. These same taxpayers reported the second largest net gains in 2009, but for a considerably smaller amount of just \$5.1 billion.

All income classes reported net gains in 2007. In contrast, all groups of taxpayers with an AGI under \$200,000 reported net losses for 2008 and 2009. Taxpayers with an AGI of \$50,000 under \$100,000 realized the most net losses. These taxpayers reported \$24.0 billion in net losses for 2008 and \$22.0 billion for 2009. Those with an AGI under \$20,000 also had large net losses of \$22.3 billion in 2009.

Taxpayers with an AGI over \$1,000,000 reported the most capital gains for all tax years (Figure G). These taxpayers realized the most gains in 2007, reporting 57.6 percent of the total amount of gains (\$637.8 billion) for the year. Gains reported by this group declined 34.4 percent to \$418.3 billion in 2008. This amount accounted for 53.9 percent of total gains from sales of capital assets. Compared to the other AGI classes, these taxpayers reported a greater decline in gains in 2009, when \$209.4 billion (down 50 percent) were reported. Taxpayers with an AGI of \$200,000 under \$500,000 made up the second largest group reporting gains for the 3-year period. These taxpayers reported \$137.6 billion in gains in 2007. Gains for this AGI class declined to \$101.1 billion in 2008 and \$63.4 billion in 2009. Taxpayers with an AGI under \$20,000 reported the least gains (\$14.6 billion) in 2007.

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Figure F

Gains Less Losses from Sales of Capital Assets, by Adjusted Gross Income Class, Tax Years 2007–2009

Billions of dollars

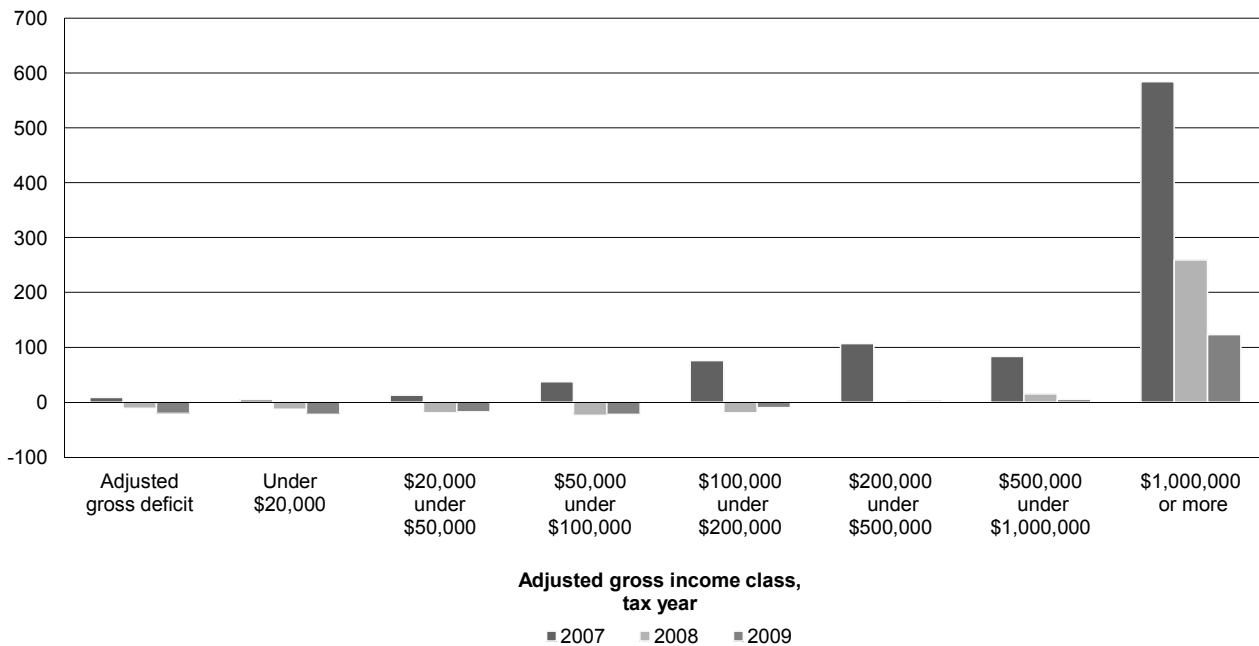
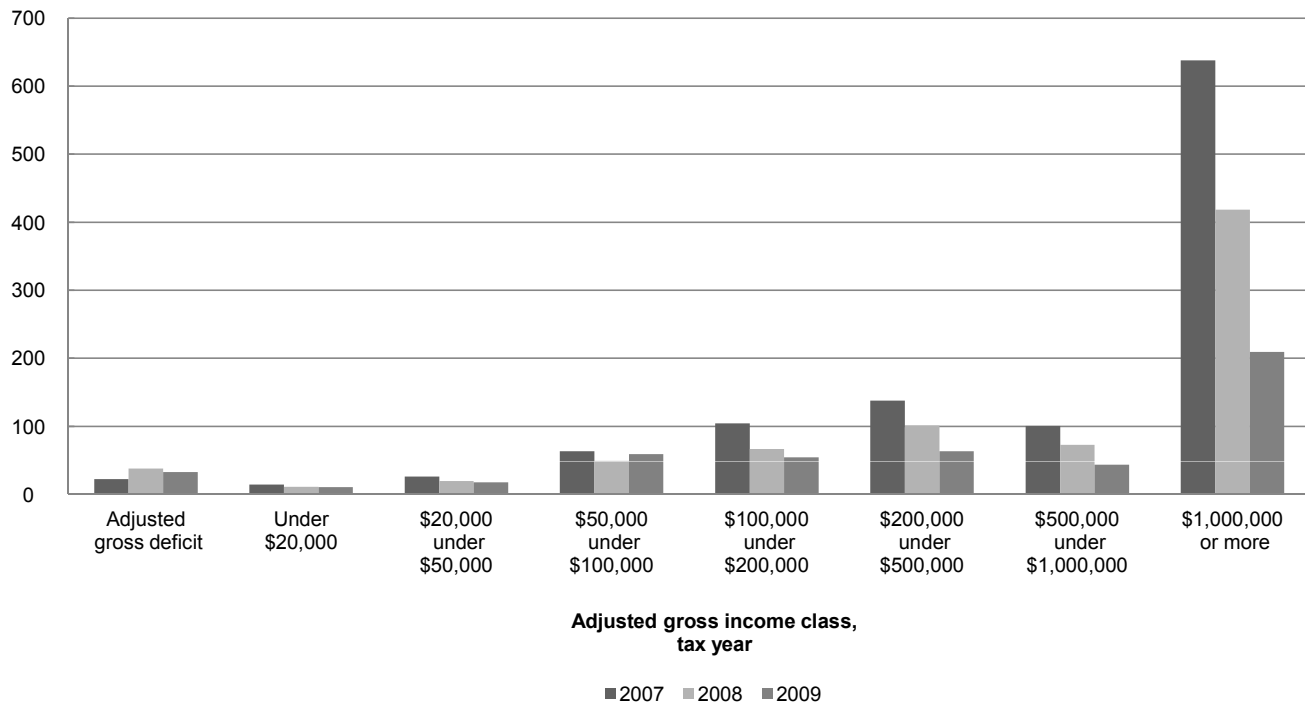


Figure G

Capital Gains from Sales of Capital Assets, by Adjusted Gross Income Class, Tax Years 2007–2009

Billions of dollars



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For this group, gains declined in 2008 and 2009 to \$10.9 billion and \$10.6 billion, respectively.

All AGI classes experienced the most losses from the sales of capital assets in 2008 (Figure H). Taxpayers with an AGI over \$1,000,000 reported \$158.8 billion in losses, accounting for 26.8 percent of the total for the year. This was a 196.8-percent increase in losses, compared to the amount reported for 2007. This group also had the most losses in 2007 and 2009, reporting \$53.5 billion and \$86.4 billion, respectively. Taxpayers with an AGI of \$200,000 and under \$500,000 realized the second largest amounts in losses in 2007 (\$31.0 billion) and 2008 (\$103.6 billion). Although this group reported losses of \$61.4 billion in 2009, taxpayers with an AGI of \$50,000 under \$100,000 reported losses of \$81.4 billion, the second largest amount for the year.

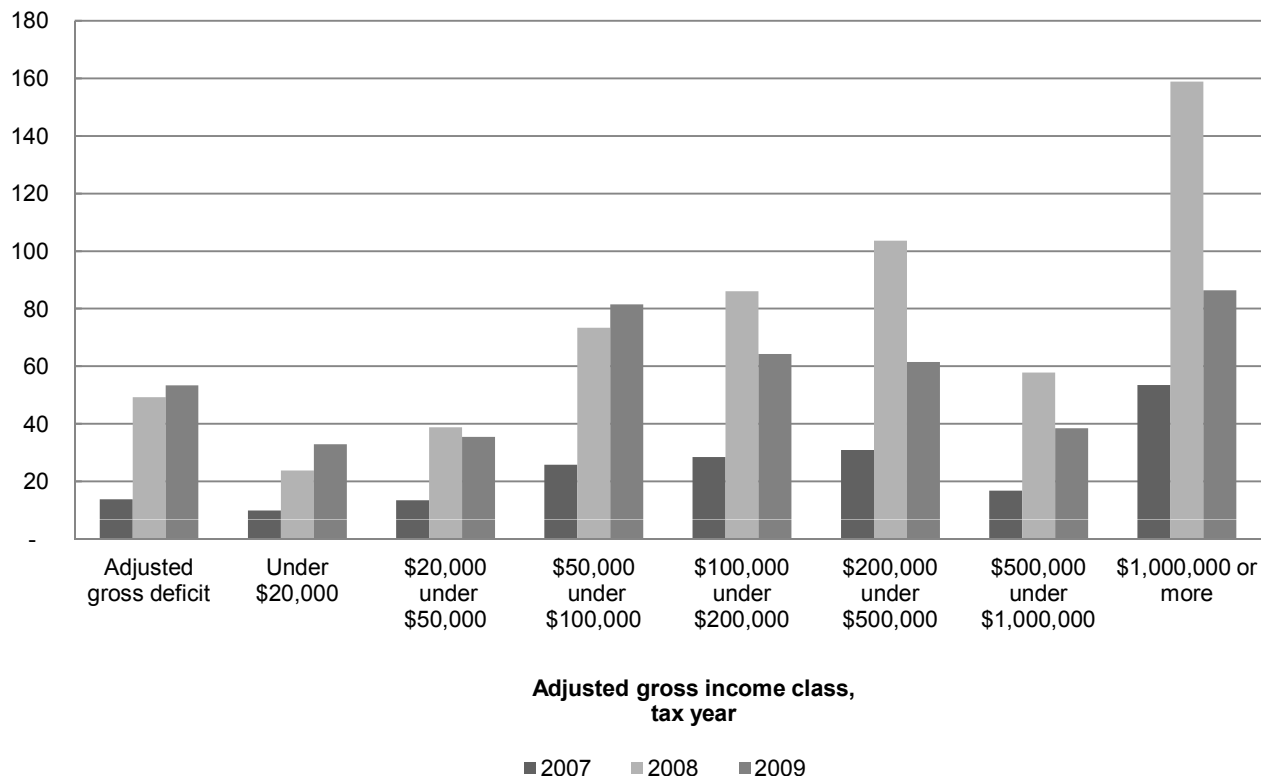
Months of Sale for Short- and Long-Term Gains and Losses

For Tax Year 2007, taxpayers reported positive short-term net gains less losses in most months of sale when a sale date was provided (Figure I). Gains of \$2.3 billion were reported in May, the most gains reported for a single month during the year. Taxpayers realized short-term losses in the months of August, November, and December, with the most losses of \$5.7 billion reported in December. This changed greatly in 2008. Taxpayers reported net short-term losses in all months, with the exception of May when \$0.5 billion in net gains were reported. Losses increased progressively throughout 2008, with the most net losses of \$34.0 billion reported in December, followed by losses of \$22.7 billion in October. In 2009, this trend continued during the first 4 months

Figure H

Capital Losses from Sales of Capital Assets, by Adjusted Gross Income Class, Tax Years 2007–2009

Billions of dollars



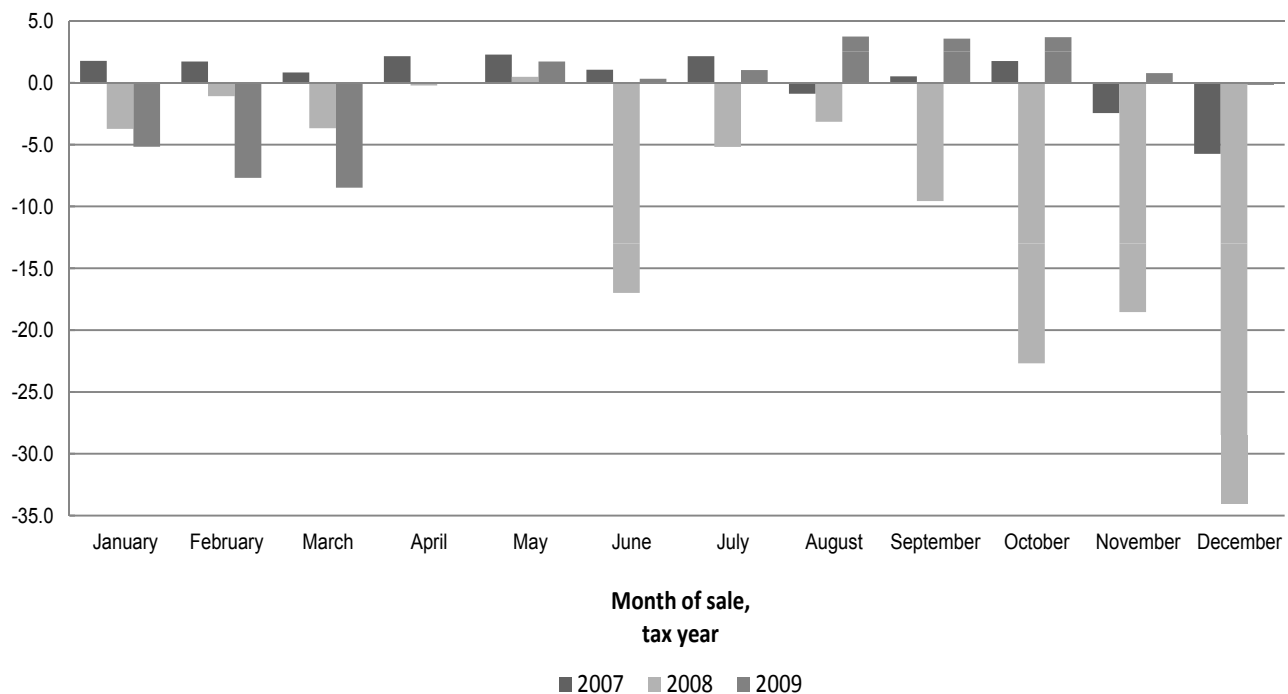
Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Figure I

Months of Sale for Short-Term Capital Asset Net Gains Less Losses, Tax Years 2007–2009

Billions of dollars



of the tax year, with the highest amount of net losses (\$8.5 billion) reported in March. After April, taxpayers reported net gains in each month, peaking in August through October (about \$3.7 billion each month). This trend ended in December, when small net losses of \$0.2 billion were reported.

In contrast, taxpayers realized net long-term gains in most months during the 3-year period (Figure J). For 2007, the highest net capital gains less losses of \$46.3 billion were reported in June, followed by gains of \$38.6 billion in January. The least net gains of \$21.2 billion were realized in December. For 2008, taxpayers reported gains each month, but reported lesser amounts as the year progressed. Gains reported for January (\$31.8 billion) were the highest for the year. Gains decreased to \$13.5 billion in August and \$14.4 billion in September. However, taxpayers reported losses in subsequent months. Taxpayers reported \$5.5 billion in losses in October with losses increasing to \$28.4 billion in December. For the first half of 2009, taxpayers reported mostly net losses, with the most reported in March (\$11.9 billion). After June, taxpayers reported small net gains for each month.

Explanation of Selected Terms

Categories of Assets:

Capital gain distributions—Distributions by mutual funds to shareholders of capital gains from sales of assets by mutual funds.

Corporate stock—Includes shares of publicly traded and closely held common and preferred stock, stock rights, and stock warrants. Short sales of corporate stock are also included.

Depreciable business personal property—Includes property used in business such as equipment, machinery, and vehicles.

Depreciable business real property—Includes office buildings, shopping malls, factory buildings, warehouses, and similar real property.

Farmland—Includes farm and ranch land, farms, and ranches.

Futures contracts—Includes futures contracts on commodities, foreign currency, interest rates, stock price indexes, and other financial derivatives and instruments.

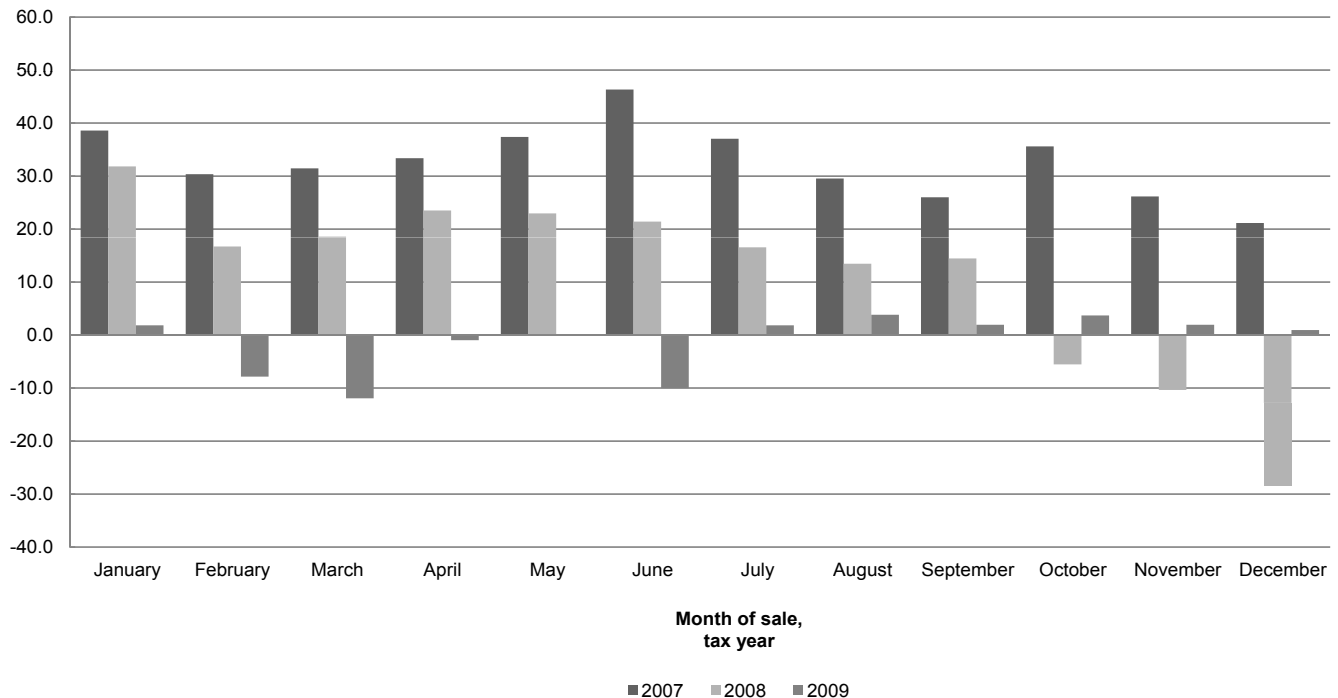
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Figure J

Months of Sale for Long-Term Capital Asset Net Gains Less Losses, Tax Years 2007–2009

Billions of dollars



Involuntary conversions—Includes involuntary conversions resulting from destruction, theft, condemnation, or eminent domain.

Livestock—Includes cattle and other animals held for work, breeding, bearing fur, and depreciable animals.

Mutual funds, except tax-exempt bond funds—Includes sales of shares of mutual funds and real estate investment trusts.

Other assets—Includes other assets not included in the above categories, such as collectibles, bad debts, and copyrights.

Other bonds, notes, and debentures—Includes bonds and other debt obligations issued by corporations and all other types of debt obligations.

Other land—Includes undeveloped land other than farmland.

Partnerships, S corporations, and estates and trusts—Includes sales of partnership interests and S corporations. S corporations allocate earnings to

shareholders and are taxed at the individual shareholder level.

Passthrough gains and losses—Includes capital gains on assets sold by partnerships, S corporations, and estates and trusts, and distributed to be taxed at the individual partner, shareholder, and beneficiary levels.

Put and call options—A call gives the holder the right to buy the underlying asset by a certain date for a certain price. A put option gives the right to sell an asset by a certain date for a certain price. This category includes put and call options, straddles, and futures contracts on corporate stock.

Residences—Principal residences and secondary homes.

Residential rental property—Includes apartments, duplexes, motels, nursing homes, and similar residential properties.

State and local government obligations—Includes bonds, notes, bills, and other certificates of indebtedness

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issued, backed, or guaranteed by States, cities, or local governments.

Tax-exempt bond mutual funds—Includes sale of shares of mutual funds and investment trusts invested in bonds and other debt instruments of State and local governments.

Timber—Includes cut or standing timber sales and timber that qualifies for Internal Revenue Code Section 1231 (involuntary conversion) treatment.

U.S. Government obligations—Includes bonds, notes, bills, and other certificates of indebtedness issued, backed, or guaranteed by the U.S. Government or Federal agencies.

Unidentifiable—Includes assets where the description is unreadable, unidentifiable, or not present.

Other Terms:

Basis—The original cost of the investment adjusted by adding the cost of expenses of the sale or any improvement costs. In addition, depreciation, amortization, and depletion deductions are subtracted.

Capital Asset—Property owned and used for investment, personal, or pleasure purposes.

Gain (or loss)—The difference between the sales price and the cost or other basis, less any depreciation.

Long term—The holding period for long-term capital gains and losses is more than 1 year.

Net capital gains—Capital gains less capital losses.

Sales price—The gross selling price of the asset, including the cash or fair market value of other property received.

Short term—The holding period for short-term capital gains and losses is 1 year or less.

Data Source and Limitations

The SOI Division started a new panel sample of individual income tax returns in Tax Year 2007, known as the Individual Return Panel Sample, intended to for longitudinal analyses and for cross-sectional estimations. Each out-year after Base Year 2007, the panel sample can be used to make cross-sectional estimates for various items of interest. For this study, we weighted the panel sample returns to make estimates for the SOCA study. To make the sample more representative of the out-year population, a refreshment sample has been added every year. Therefore, surviving panel sample returns and re-

freshment sample returns together make up the sample for SOCA cross-sectional estimation.²

The Base Year 2007 Individual Return Panel Sample is comprised of two parts. The first is a stratified random sample selected from the 2007 population of individual income tax returns. Stratum boundaries were formed using the return's selection income that was the size of total gross positive or negative income. Since the distribution of selection income was highly skewed, sampling rates are very different across strata, ranging from 100 percent to 0.1 percent. The second part is a simple random sample of returns that were married and filing jointly. These returns were selected based on their secondary taxpayer identification number. The purpose of the second part is to follow returns for the panel that may have future compositional change, for example, where a secondary taxpayer becomes the primary taxpayer because of divorce or other factors.³ The out-year refreshment sample includes three parts. The first part is a very small, stratified random sample with the same stratum definition as in the base-year panel sample.⁴ The purpose of this part is to add high-income returns (especially stratum jumpers) and new filers that were not already in the panel sample. The second part is a simple random sample of primary taxpayers who did not file tax returns for Tax Year 2007 but did for 2008 and/or 2009. The third part is a simple random sample of secondary taxpayers (i.e., married and filing jointly) and was not part of the base-year panel. Including returns from the second and the third parts allows SOI to improve estimates at no cost, since these returns are being edited for another SOI sample.

The sample for the 2008 SOCA study includes 216,535 returns (of these, there were 58,521 taxpayers reporting SOCA data) where 206,522 are 2007 surviving panel returns, and 10,013 are 2008 refreshment sample returns. The target population includes all 140,646,565 individual income tax returns filed for Tax Year 2008. For the 2009 SOCA study, the sample includes a total of 216,725 returns (of these, there were 53,725 taxpayers reporting SOCA data), while the target population includes 139,605,368 returns. These differ from the cross-sectional populations by about 1 million (2009) to almost 2 million (2008) returns because the panel that is the basis of these estimates does not include any returns filed prior to 2007, while the base year of the panel and the cross section does.⁵

² For the 2007 panel sample design and refreshment sample design, see Liu, Y.K.; Auten, G.; Testa, V.; and Strudler, M. (2009), "Redesign of SOI's Individual Income Tax Return Edited Panel Sample," *Proceedings of the Survey Methodology Section*, American Statistical Association, pp. 3129-3143.

³ See Weber, M. (2001), "The Statistics of Income 1979–2002 Continuous Work History Sample Individual Income Tax Return Panel," *Proceedings of the Survey Methodology Section*, American Statistical Association, 2001.

⁴ The stratifier Selection Income is adjusted by an inflation factor so that the out-year Selection Income is compatible to the base-year Selection Income.

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Weights were applied to each sampled return when calculating estimates to count for selection probabilities and other factors that might lead to the differences between the sample and the population. In the development of weights for cross-sectional estimation, the simple random sample of married-and-filing-jointly-returns were first poststratified to the same income strata defined above in this study.⁶ Next, all returns within each stratum were further poststratified by the filing status (married-and-filing- jointly vs. others) because married-and-joint-filing returns were oversampled from the refreshment sample. The initial weights were then calculated within each poststratification cell using base-year selection probabilities. New returns without a base-year match were assigned an initial weight using an ad hoc method. The initial weights were further adjusted to refer to the out-year population. One adjustment was appropriate weight trimming for outlier returns with both large weights and large values on key variables of interest, because those outlier returns could cause estimation bias. Another important weight adjustment was applying a calibration approach to improve the accuracy of survey estimates on multiple key SOCA variables. The calibration method adjusted

sampling weights such that the sample estimates were equal to the population totals of key variables. SOI has rich information on important variables from the large yearly cross-sectional sample. The key variables considered were the Selection Income used to stratify for SOI's cross-section samples, AGI, and the following fields from Schedule D, *Capital Gains and Losses*: Net Capital Gain/Loss; Total Short-Term Sales Price Amount; Net Short-Term Capital Gain/Loss; Total Long-Term Sales Price Amount; Net Long-Term Capital Gain/Loss; and Long-Term Total Gain or Loss from the sales of stocks and other assets held more than 1 year.

Since the data represented here are estimates based on a sample of returns filed, they are subject to sampling error. To use the statistical data properly, 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 coefficients of variation for evaluating the precision of estimates based on samples are discussed in the SOI Sampling Methodology and Data Limitations Section found elsewhere in this issue of the *Bulletin*.

⁵ For more details on 2008 and 2009 sample data, see *Statistics of Income—2008 and 2009, Individual Income Tax Returns*, Statistics of Income Division, Internal Revenue Service, Publication 1304.

⁶ For the details of weight development, see Internal Memo (2012) “Development of Cross-Sectional Weights for a Panel Sample of Individual Income Returns,” Statistics of Income Division, Internal Revenue Service.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 1A. Short- and Long-Term Capital Gains and Losses, by Asset Type, Tax Year 2008

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

Transactions by asset type	All transactions				Gain transactions			
	Number	Sales price	Basis	Net gain/loss	Number	Sales price	Basis	Gain
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	344,559	5,762,617,013	5,754,281,092	185,127,161	121,100	2,100,418,208	1,592,151,563	776,758,505
Corporate stock	201,625	2,160,848,477	2,154,629,785	19,643,900	74,031	916,159,044	667,934,854	249,109,073
U.S. Government obligations	2,787	291,789,735	293,829,373	-2,553,640	923	74,962,163	74,014,092	952,593
State and local government obligations	3,732	511,471,451	512,563,719	-1,055,990	941	61,430,511	59,666,570	1,798,672
Other bonds, notes and debentures	1,848	147,468,993	149,835,545	-2,403,434	397	21,472,471	19,657,170	1,822,160
Put and call options	7,021	56,222,843	64,100,672	5,139,578	3,928	33,028,316	15,851,206	17,182,641
Futures contracts	951	47,202,966	30,218,983	17,146,986	507	41,067,197	11,553,514	29,740,197
Mutual funds, except tax-exempt bond funds	78,296	770,313,172	855,203,076	-83,496,200	18,473	263,175,477	231,488,702	31,875,077
Tax-exempt bond mutual funds	5,195	86,240,948	92,798,936	-6,547,499	498	11,443,737	10,930,560	502,355
Partnership, S corporation, and estate or trust interests	4,662	196,374,306	166,666,620	30,465,582	1,542	132,578,914	85,686,048	48,251,939
Livestock	659	3,360,269	1,163,618	1,631,690	323	2,463,314	328,880	1,980,962
Timber	80	1,584,913	407,199	1,172,388	68	1,464,097	265,602	1,193,951
Involuntary conversions	773	1,381,611	917,655	287,094	27	1,068,003	592,954	475,049
Residential rental property	941	133,905,156	113,932,921	18,092,307	618	84,500,303	57,678,741	25,511,177
Depreciable business personal property	1,630	14,300,996	8,539,587	1,963,118	232	5,854,024	1,683,004	3,170,014
Depreciable business real property	435	58,321,834	41,352,263	15,070,697	306	41,005,007	22,438,389	17,943,709
Farmland	98	16,999,031	10,200,282	6,556,659	81	15,823,165	9,026,526	6,696,275
Other land	513	45,806,153	25,016,244	16,844,662	384	37,218,739	15,293,782	18,609,679
Residences	312	101,013,809	78,517,626	7,904,482	98	40,227,661	25,378,415	9,343,503
Other assets	14,777	927,859,103	961,628,152	-33,470,841	2,869	275,614,024	246,953,719	32,095,734
Unidentifiable	1,038	190,151,244	192,758,837	-6,339,624	340	39,862,041	35,728,837	5,020,689
Passthrough gains or losses	5,690	N/A	N/A	156,489,932	3,021	N/A	N/A	250,897,738
Capital gain distributions	11,495	N/A	N/A	22,585,315	11,495	N/A	N/A	22,585,315

Footnotes at end of Table 1C.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 1A. Short- and Long-Term Capital Gains and Losses, by Asset Type, Tax Year 2008—Continued

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

Transactions by asset type	Loss transactions				Transactions with no gain or loss		
	Number	Sales price	Basis	Loss	Number	Sales price	Basis
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Total	199,682	2,675,324,027	3,168,769,095	591,631,343	23,776	986,874,778	993,360,434
Corporate stock	119,309	1,141,098,956	1,369,943,847	229,465,173	8,285	103,590,477	116,751,084
U.S. Government obligations	558	34,952,953	38,459,274	3,506,234	1,306	181,874,619	181,356,007
State and local government obligations	1,064	119,704,705	122,504,741	2,854,662	1,728	330,336,235	330,392,408
Other bonds, notes and debentures	763	56,522,472	60,748,878	4,225,594	688	69,474,050	69,429,497
Put and call options	2,627	15,410,684	27,353,711	12,043,062	467	7,783,844	20,895,754
Futures contracts	433	5,797,141	18,327,231	12,593,212	11	338,628	338,238
Mutual funds, except tax-exempt bond funds	53,739	462,574,013	578,341,050	115,371,277	6,083	44,563,682	45,373,324
Tax-exempt bond mutual funds	3,839	56,437,051	63,501,750	7,049,854	858	18,360,160	18,366,626
Partnership, S corporation, and estate or trust interests	2,959	36,284,411	53,509,889	17,786,357	161	27,510,982	27,470,683
Livestock	109	263,159	612,671	349,273	227	633,796	222,067
Timber	8	93,756	115,320	21,563	4	27,060	26,277
Involuntary conversions	54	156,494	167,588	187,956	692	157,114	157,114
Residential rental property	204	32,056,254	39,660,112	7,418,870	120	17,348,600	16,594,068
Depreciable business personal property	340	1,028,927	2,235,808	1,206,896	1,058	7,418,045	4,620,775
Depreciable business real property	79	10,960,362	13,942,657	2,873,012	50	6,356,465	4,971,217
Farmland	5	367,768	502,905	139,616	12	808,098	670,850
Other land	74	4,509,000	6,458,341	1,765,017	55	4,078,414	3,264,121
Residences	19	2,033,247	2,954,120	1,439,021	196	58,752,902	50,185,091
Other assets	10,380	557,034,230	621,760,225	65,566,575	1,528	95,210,850	92,914,207
Unidentifiable	619	138,038,445	147,668,976	11,360,312	80	12,250,758	9,361,025
Passthrough gains or losses	2,501	N/A	N/A	94,407,807	168	N/A	N/A
Capital gain distributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Footnotes at end of Table 1C.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 1B. Short-Term Capital Gains and Losses, by Asset Type, Tax Year 2008

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

Transactions by asset type	All transactions				Gain transactions			
	Number	Sales price	Basis	Net gain/loss	Number	Sales price	Basis	Gain
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	196,554	3,792,981,738	3,970,037,697	-184,230,267	57,247	1,145,730,142	1,034,456,181	136,265,941
Corporate stock	129,398	1,555,393,707	1,649,638,577	-80,266,477	40,681	536,908,679	492,070,676	45,689,899
U.S. Government obligations	1,233	239,204,640	241,226,085	-2,548,013	378	58,697,124	58,165,327	538,743
State and local government obligations	889	310,004,995	310,918,913	-941,239	90	19,732,189	19,447,504	299,897
Other bonds, notes and debentures	715	106,398,046	108,011,501	-1,611,279	167	13,730,869	13,372,789	364,937
Put and call options	6,847	52,787,393	62,042,679	3,814,490	3,854	30,672,641	15,304,649	15,396,307
Futures contracts	916	37,621,060	21,603,501	16,174,646	488	35,677,626	7,584,655	28,313,358
Mutual funds, except tax-exempt bond funds	37,853	449,822,739	488,141,716	-36,971,688	8,065	159,184,937	147,136,372	12,096,854
Tax-exempt bond mutual funds	2,002	39,199,999	41,475,053	-2,273,051	218	5,235,187	5,069,134	167,318
Partnership, S corporation, and estate or trust interests	2,504	103,238,308	105,651,000	-2,717,580	736	64,433,735	61,702,785	2,876,080
Livestock	111	557,338	409,573	146,317	61	455,533	154,239	301,294
Timber	9	90,854	93,968	-3,114	4	12,372	5,397	6,975
Involuntary conversions	22	363,274	270,135	-83,724	3	212,687	149,524	63,163
Residential rental property	125	17,819,913	17,905,947	21,190	67	7,706,888	6,868,751	853,400
Depreciable business personal property	186	1,635,747	1,755,488	-100,520	62	901,819	568,175	305,271
Depreciable business real property	45	4,896,956	4,920,762	-57,889	32	2,276,306	1,902,785	380,825
Farmland	6	237,728	240,652	-3,977	3	23,126	11,866	11,414
Other land	31	2,587,401	2,322,277	207,183	17	1,020,690	696,634	298,291
Residences	17	2,856,648	2,849,640	223,708	7	929,606	657,604	235,976
Other assets	11,728	712,317,498	749,996,043	-37,564,628	1,618	181,285,742	177,531,141	4,261,748
Unidentifiable	474	155,947,496	160,564,188	-5,929,713	118	26,632,385	26,056,175	820,888
Passthrough gains or losses	1,446	N/A	N/A	-33,744,909	581	N/A	N/A	22,983,303

Footnotes at end of Table 1C.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 1B. Short-Term Capital Gains and Losses, by Asset Type, Tax Year 2008—Continued

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

Transactions by asset type	Loss transactions				Transactions with no gain or loss		
	Number	Sales price	Basis	Loss	Number	Sales price	Basis
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Total	126,179	1,998,064,587	2,259,011,208	320,496,208	13,128	649,187,009	676,570,308
Corporate stock	82,453	940,769,264	1,066,244,570	125,956,377	6,264	77,715,763	91,323,331
U.S. Government obligations	243	22,561,222	25,648,060	3,086,756	611	157,946,293	157,412,698
State and local government obligations	275	72,824,775	74,046,228	1,241,136	524	217,448,031	217,425,180
Other bonds, notes and debentures	314	45,115,267	47,090,913	1,976,216	234	47,551,910	47,547,800
Put and call options	2,554	14,982,628	26,491,320	11,581,818	439	7,132,123	20,246,711
Futures contracts	421	1,709,401	13,784,990	12,138,712	8	234,033	233,856
Mutual funds, except tax-exempt bond funds	26,048	256,210,974	305,626,716	49,068,542	3,740	34,426,829	35,378,628
Tax-exempt bond mutual funds	1,399	24,231,839	26,672,351	2,440,369	385	9,732,972	9,733,568
Partnership, S corporation, and estate or trust interests	1,683	15,848,335	20,981,450	5,593,659	85	22,956,238	22,966,765
Livestock	44	69,031	223,963	154,977	5	32,773	31,371
Timber	4	71,134	81,222	10,088	* 1	* 7,348	* 7,348
Involuntary conversions	18	150,305	120,330	146,887	* 1	* 282	* 282
Residential rental property	39	8,500,678	9,332,887	832,210	19	1,612,347	1,704,309
Depreciable business personal property	72	288,381	694,368	405,791	52	445,548	492,945
Depreciable business real property	9	2,153,150	2,591,863	438,714	4	467,501	426,114
Farmland	* 1	* 41,053	* 56,443	* 15,391	* 2	* 173,549	* 172,342
Other land	6	312,540	403,647	91,108	8	1,254,171	1,221,996
Residences	* 2	* 396,316	* 408,584	* 12,268	8	1,530,726	1,783,452
Other assets	9,400	467,301,536	508,567,435	41,826,376	709	63,730,220	63,897,468
Unidentifiable	334	124,526,759	129,943,867	6,750,601	22	4,788,351	4,564,146
Passthrough gains or losses	860	N/A	N/A	56,728,212	5	N/A	N/A

Footnotes at end of Table 1C.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 1C. Long-Term Capital Gains and Losses, by Asset Type, Tax Year 2008

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

Transactions by asset type	All transactions				Gain transactions			
	Number	Sales price	Basis	Net gain/loss	Number	Sales price	Basis	Gain
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	148,005	1,969,635,275	1,784,243,395	369,357,428	63,853	954,688,066	557,695,381	640,492,564
Corporate stock	72,228	605,454,771	504,991,208	99,910,378	33,351	379,250,365	175,864,178	203,419,174
U.S. Government obligations	1,554	52,585,095	52,603,288	-5,627	545	16,265,039	15,848,765	413,850
State and local government obligations	2,843	201,466,456	201,644,807	-114,751	850	41,698,322	40,219,066	1,498,775
Other bonds, notes and debentures	1,133	41,070,947	41,824,044	-792,155	229	7,741,602	6,284,381	1,457,223
Put and call options	174	3,435,451	2,057,993	1,325,089	74	2,355,674	546,557	1,786,333
Futures contracts	35	9,581,906	8,615,482	972,340	20	5,389,571	3,968,859	1,426,839
Mutual funds, except tax-exempt bond funds	40,443	320,490,433	367,061,360	-46,524,511	10,408	103,990,540	84,352,330	19,778,223
Tax-exempt bond mutual funds	3,193	47,040,949	51,323,883	-4,274,448	280	6,208,549	5,861,426	335,038
Partnership, S corporation, and estate or trust interests	2,158	93,135,998	61,015,620	33,183,162	806	68,145,179	23,983,263	45,375,859
Livestock	548	2,802,932	754,045	1,485,372	261	2,007,781	174,641	1,679,668
Timber	71	1,494,059	313,231	1,175,501	64	1,451,725	260,205	1,186,976
Involuntary conversions	751	1,018,337	647,520	370,817	24	855,316	443,430	411,886
Residential rental property	817	116,085,244	96,026,974	18,071,116	551	76,793,415	50,809,990	24,657,777
Depreciable business personal property	1,444	12,665,249	6,784,099	2,063,638	170	4,952,205	1,114,828	2,864,743
Depreciable business real property	390	53,424,878	36,431,501	15,128,586	274	38,728,701	20,535,604	17,562,884
Farmland	93	16,761,303	9,959,630	6,560,636	78	15,800,039	9,014,660	6,684,861
Other land	482	43,218,753	22,693,967	16,637,479	367	36,198,049	14,597,148	18,311,389
Residences	295	98,157,161	75,667,986	7,680,774	91	39,298,055	24,720,811	9,107,527
Other assets	3,049	215,541,605	211,632,108	4,093,788	1,251	94,328,282	69,422,578	27,833,986
Unidentifiable	564	34,203,748	32,194,649	-409,910	222	13,229,656	9,672,661	4,199,801
Passthrough gains or losses	4,244	N/A	N/A	190,234,840	2,440	N/A	N/A	227,914,435
Capital gain distributions	11,495	N/A	N/A	22,585,315	11,495	N/A	N/A	22,585,315

Footnotes at end of Table 1C.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 1C. Long-Term Capital Gains and Losses, by Asset Type, Tax Year 2008—Continued

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

Transactions by asset type	Loss transactions				Transactions with no gain or loss		
	Number	Sales price	Basis	Loss	Number	Sales price	Basis
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Total	73,503	677,259,440	909,757,888	271,135,136	10,648	337,687,769	316,790,126
Corporate stock	36,856	200,329,692	303,699,277	103,508,796	2,021	25,874,714	25,427,752
U.S. Government obligations	314	12,391,732	12,811,214	419,477	695	23,928,325	23,943,309
State and local government obligations	788	46,879,930	48,458,513	1,613,526	1,204	112,888,204	112,967,227
Other bonds, notes and debentures	449	11,407,205	13,657,966	2,249,379	455	21,922,140	21,881,697
Put and call options	73	428,056	862,392	461,245	28	651,721	649,044
Futures contracts	12	4,087,740	4,542,241	454,499	3	104,595	104,383
Mutual funds, except tax-exempt bond funds	27,692	206,363,039	272,714,335	66,302,735	2,343	10,136,854	9,994,696
Tax-exempt bond mutual funds	2,440	32,205,212	36,829,399	4,609,486	473	8,627,188	8,633,058
Partnership, S corporation, and estate or trust interests	1,276	20,436,075	32,528,439	12,192,697	76	4,554,743	4,503,918
Livestock	65	194,128	388,709	194,295	222	601,023	190,696
Timber	4	22,622	34,097	11,475	3	19,712	18,929
Involuntary conversions	36	6,189	47,258	41,069	691	156,832	156,832
Residential rental property	164	23,555,576	30,327,225	6,586,661	101	15,736,253	14,889,759
Depreciable business personal property	268	740,547	1,541,440	801,106	1,006	6,972,497	4,127,831
Depreciable business real property	71	8,807,212	11,350,794	2,434,298	45	5,888,964	4,545,103
Farmland	5	326,715	446,462	124,225	10	634,549	498,508
Other land	68	4,196,461	6,054,693	1,673,910	47	2,824,243	2,042,126
Residences	16	1,636,931	2,545,535	1,426,753	187	57,222,176	48,401,639
Other assets	980	89,732,694	113,192,791	23,740,199	819	31,480,629	29,016,739
Unidentifiable	285	13,511,686	17,725,109	4,609,711	57	7,462,406	4,796,879
Passthrough gains or losses	1,641	N/A	N/A	37,679,595	163	N/A	N/A
Capital gain distributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A—Not applicable.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 1A. Short- and Long-Term Capital Gains and Losses, by Asset Type, Tax Year 2009

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

Transactions by asset type	All transactions				Gain transactions			
	Number	Sales price	Basis	Net gain/loss	Number	Sales price	Basis	Gain
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	264,098	4,350,017,979	4,443,011,368	37,007,656	112,869	1,924,597,076	1,566,107,818	490,842,677
Corporate stock	151,796	1,835,053,321	1,825,833,338	6,785,333	66,047	874,650,267	704,201,521	164,817,073
U.S. Government obligations	1,928	195,547,802	194,999,449	568,295	624	63,949,120	62,828,840	1,148,874
State and local government obligations	3,061	227,266,268	226,619,715	625,214	1,015	71,841,599	68,613,532	3,243,181
Other bonds, notes and debentures	1,616	62,003,671	63,217,831	-1,304,768	534	21,822,773	19,468,152	2,383,820
Put and call options	7,253	28,982,007	39,633,803	1,555,877	4,243	16,807,494	9,170,227	7,840,907
Futures contracts	1,219	24,644,981	23,179,832	1,484,821	634	20,691,200	7,188,547	13,534,756
Mutual funds, except tax-exempt bond funds	60,606	570,777,804	697,233,370	-49,500,514	18,889	224,318,901	202,085,972	23,417,974
Tax-exempt bond mutual funds	3,350	63,549,645	65,529,390	-1,740,414	1,081	27,799,492	26,672,076	1,259,908
Partnership, S corporation, and estate or trust interests	3,758	86,427,812	75,905,269	11,708,243	1,633	52,662,721	25,327,944	28,558,306
Livestock	629	3,379,499	1,293,163	1,554,461	301	2,462,715	335,754	2,007,056
Timber	69	1,108,457	402,246	705,940	54	969,146	248,891	719,983
Involuntary conversions	362	2,006,765	1,242,773	487,106	34	1,288,697	306,051	982,645
Residential rental property	909	103,313,003	102,291,065	751,456	561	49,454,550	35,163,484	13,362,654
Depreciable business personal property	1,833	12,993,493	9,825,617	902,895	204	4,306,733	1,707,905	2,100,937
Depreciable business real property	396	45,267,817	39,686,366	5,191,692	246	28,158,732	16,947,850	10,696,031
Farmland	77	7,175,039	4,336,550	2,530,161	60	5,117,144	2,371,184	2,619,949
Other land	375	26,973,450	18,334,015	7,379,872	256	20,302,846	9,960,001	9,268,011
Residences	352	95,322,225	81,982,135	2,772,252	97	29,562,315	18,520,950	4,260,695
Other assets	14,157	831,096,429	842,295,108	-16,717,761	9,368	384,527,577	333,551,930	54,706,726
Unidentifiable	679	127,128,489	129,170,334	-2,667,200	278	23,903,054	21,437,007	2,686,874
Passthrough gains or losses	5,446	N/A	N/A	61,480,269	2,485	N/A	N/A	138,771,892
Capital gain distributions	4,224	N/A	N/A	2,454,426	4,224	N/A	N/A	2,454,426

Footnotes at end of table.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 1A. Short- and Long-Term Capital Gains and Losses, by Asset Type, Tax Year 2009—Continued

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

Transactions by asset type	Loss transactions				Transactions with no gain or loss		
	Number	Sales price	Basis	Loss	Number	Sales price	Basis
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Total	131,946	1,852,025,468	2,215,707,342	453,835,021	19,283	573,395,435	661,196,208
Corporate stock	78,522	850,903,748	1,006,716,594	158,031,740	7,227	109,499,306	114,915,224
U.S. Government obligations	410	32,424,796	32,990,833	580,579	895	99,173,886	99,179,775
State and local government obligations	826	49,370,856	51,982,420	2,617,967	1,220	106,053,813	106,023,763
Other bonds, notes and debentures	565	14,229,937	17,792,695	3,688,589	517	25,950,962	25,956,984
Put and call options	2,759	10,501,699	16,542,645	6,285,030	251	1,672,813	13,920,931
Futures contracts	577	3,150,660	15,188,467	12,049,936	8	803,121	802,819
Mutual funds, except tax-exempt bond funds	36,976	293,771,555	366,501,614	72,918,488	4,741	52,687,348	128,645,783
Tax-exempt bond mutual funds	1,669	23,759,466	26,864,482	3,000,321	600	11,990,688	11,992,832
Partnership, S corporation, and estate or trust interests	1,934	25,828,369	42,508,964	16,850,063	191	7,936,722	8,068,361
Livestock	129	314,638	767,766	452,594	199	602,146	189,643
Timber	10	111,051	125,094	14,043	5	28,261	28,261
Involuntary conversions	59	417,104	571,657	495,540	269	300,964	365,065
Residential rental property	231	33,582,847	46,134,843	12,611,198	118	20,275,605	20,992,737
Depreciable business personal property	329	1,462,022	2,667,656	1,198,043	1,299	7,224,738	5,450,057
Depreciable business real property	106	15,310,148	21,235,772	5,504,338	44	1,798,937	1,502,744
Farmland	8	1,662,126	1,751,915	89,789	10	395,770	213,452
Other land	67	5,025,596	6,913,735	1,888,138	53	1,645,008	1,460,279
Residences	26	4,203,302	5,677,289	1,488,443	229	61,556,608	57,783,896
Other assets	3,593	385,159,839	447,353,991	71,424,487	1,196	61,409,014	61,389,188
Unidentifiable	357	100,835,710	105,418,913	5,354,074	44	2,389,726	2,314,415
Passthrough gains or losses	2,793	N/A	N/A	77,291,623	168	N/A	N/A
Capital gain distributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A—Not applicable.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 1B. Short-Term Capital Gains and Losses, by Asset Type, Tax Year 2009

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

Transactions by asset type	All transactions				Gain Transactions			
	Number	Sales price	Basis	Net gain/loss	Number	Sales price	Basis	Gain
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	154,147	3,003,437,820	3,093,210,160	15,571,646	80,697	1,370,881,628	1,232,685,175	172,890,332
Corporate stock	95,311	1,396,015,911	1,393,766,156	-1,696,679	49,105	653,659,022	594,504,788	51,236,865
U.S. Government obligations	705	160,093,790	160,058,226	54,453	238	51,552,214	51,148,453	417,141
State and local government obligations	603	84,371,642	83,737,833	642,042	240	25,168,058	24,201,451	976,228
Other bonds, notes and debentures	736	34,132,698	33,882,476	274,736	361	15,136,665	13,982,857	1,180,841
Put and call options	7,070	27,323,777	37,636,595	1,956,330	4,192	15,936,854	8,748,308	7,397,473
Futures contracts	1,184	22,647,207	21,321,797	1,341,375	620	19,515,556	6,337,040	13,206,427
Mutual funds, except tax-exempt bond funds	31,022	392,010,730	473,427,797	-5,322,021	14,391	184,931,446	169,751,092	15,506,047
Tax-exempt bond mutual funds	1,481	33,360,370	33,290,989	176,831	771	18,616,028	18,016,528	709,744
Partnership, S corporation, and estate or trust interests	2,311	29,318,917	29,382,185	315,923	1,235	15,484,396	12,661,533	3,039,214
Livestock	99	487,175	347,246	141,363	45	382,938	112,302	270,668
Timber	13	121,508	107,096	14,411	8	37,397	20,123	17,273
Involuntary conversions	24	268,668	157,587	-164,561	2	11,397	386	11,011
Residential rental property	138	11,837,309	11,696,055	-54,446	96	6,495,995	5,616,732	682,201
Depreciable business personal property	181	1,312,891	1,370,343	37,514	49	656,375	336,388	320,007
Depreciable business real property	29	3,590,509	3,725,473	-111,410	16	1,505,730	1,051,221	461,400
Farmland	5	100,072	82,647	17,424	3	56,083	38,658	17,424
Other land	30	1,480,844	1,363,316	128,370	20	874,427	719,611	165,766
Residences	21	2,895,241	2,855,364	-2,281	7	494,495	405,522	89,538
Other assets	11,501	690,982,451	693,790,869	-9,899,040	8,420	340,628,547	306,481,402	34,842,526
Unidentifiable	322	111,086,110	111,210,109	-242,087	159	19,738,003	18,550,779	1,275,281
Passthrough gains or losses	1,361	N/A	N/A	27,963,397	720	N/A	N/A	41,067,255

Footnotes at end of table.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 1B. Short-Term Capital Gains and Losses, by Asset Type, Tax Year 2009—Continued

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

Transactions by asset type	Loss transactions				Transactions with no gain or loss		
	Number	Sales price	Basis	Loss	Number	Sales price	Basis
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Total	63,030	1,313,996,925	1,448,548,310	157,318,686	10,420	318,559,267	411,976,675
Corporate stock	40,991	659,030,257	710,934,632	52,933,544	5,214	83,326,632	88,326,735
U.S. Government obligations	170	25,922,581	26,284,891	362,688	297	82,618,995	82,624,882
State and local government obligations	164	18,222,314	18,552,133	334,186	199	40,981,270	40,984,249
Other bonds, notes and debentures	207	5,184,271	6,086,019	906,105	168	13,811,762	13,813,601
Put and call options	2,654	9,875,294	15,126,896	5,441,143	224	1,511,629	13,761,391
Futures contracts	556	2,350,714	14,204,121	11,865,053	7	780,938	780,636
Mutual funds, except tax-exempt bond funds	13,326	165,179,082	185,854,078	20,828,068	3,305	41,900,202	117,822,627
Tax-exempt bond mutual funds	451	6,822,285	7,349,631	532,913	258	7,922,057	7,924,830
Partnership, S corporation, and estate or trust interests	973	9,430,100	12,209,773	2,723,292	103	4,404,420	4,510,879
Livestock	48	85,508	216,216	129,305	6	18,729	18,729
Timber	4	72,372	75,234	2,862	1	11,739	11,739
Involuntary conversions	20	7,074	-158,341	175,572	* 3	* 250,197	* 315,542
Residential rental property	27	2,927,778	3,664,424	736,646	15	2,413,536	2,414,898
Depreciable business personal property	84	258,095	541,395	282,493	48	398,421	492,560
Depreciable business real property	8	1,822,843	2,412,287	572,809	4	261,936	261,964
Farmland	0	0	0	0	* 2	* 43,989	* 43,989
Other land	5	406,656	444,052	37,396	5	199,761	199,653
Residences	* 3	* 374,965	* 466,785	* 91,819	* 11	* 2,025,780	* 1,983,058
Other assets	2,557	315,573,799	352,518,125	44,741,566	524	34,780,105	34,791,342
Unidentifiable	144	90,450,938	91,765,960	1,517,368	19	897,169	893,370
Passthrough gains or losses	637	N/A	N/A	13,103,858	5	N/A	N/A

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

N/A—Not applicable.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 1C. Long-Term Capital Gains and Losses, by Asset Type, Tax Year 2009

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

Transactions by asset type	All transactions				Gain Transactions			
	Number	Sales price	Basis	Net gain/loss	Number	Sales price	Basis	Gain
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	109,950	1,346,580,160	1,349,801,208	21,436,010	32,172	553,715,448	333,422,643	317,952,345
Corporate stock	56,485	439,037,410	432,067,182	8,482,012	16,941	220,991,245	109,696,732	113,580,208
U.S. Government obligations	1,223	35,454,012	34,941,223	513,842	386	12,396,906	11,680,387	731,733
State and local government obligations	2,458	142,894,626	142,881,882	-16,828	775	46,673,541	44,412,081	2,266,953
Other bonds, notes and debentures	880	27,870,973	29,335,355	-1,579,504	172	6,686,107	5,485,295	1,202,979
Put and call options	183	1,658,230	1,997,208	-400,454	51	870,640	421,919	443,433
Futures contracts	36	1,997,774	1,858,035	143,446	14	1,175,645	851,507	328,329
Mutual funds, except tax-exempt bond funds	29,584	178,767,075	223,805,572	-44,178,493	4,499	39,387,456	32,334,880	7,911,927
Tax-exempt bond mutual funds	1,870	30,189,275	32,238,401	-1,917,245	310	9,183,464	8,655,548	550,163
Partnership, S corporation, and estate or trust interests	1,447	57,108,895	46,523,084	11,392,320	398	37,178,325	12,666,411	25,519,091
Livestock	530	2,892,324	945,917	1,413,098	257	2,079,777	223,453	1,736,388
Timber	56	986,949	295,149	691,529	46	931,749	228,768	702,709
Involuntary conversions	337	1,738,097	1,085,186	651,666	32	1,277,300	305,666	971,634
Residential rental property	771	91,475,694	90,595,010	805,902	465	42,958,555	29,546,752	12,680,454
Depreciable business personal property	1,652	11,680,602	8,455,274	865,381	155	3,650,357	1,371,517	1,780,931
Depreciable business real property	368	41,677,308	35,960,894	5,303,102	230	26,653,002	15,896,629	10,234,631
Farmland	72	7,074,967	4,253,903	2,512,736	57	5,061,061	2,332,525	2,602,525
Other land	345	25,492,606	16,970,699	7,251,503	235	19,428,419	9,240,390	9,102,245
Residences	331	92,426,985	79,126,770	2,774,533	90	29,067,820	18,115,428	4,171,157
Other assets	2,656	140,113,978	148,504,239	-6,818,722	948	43,899,030	27,070,528	19,864,199
Unidentifiable	357	16,042,379	17,960,225	-2,425,113	119	4,165,051	2,886,228	1,411,593
Passthrough gains or losses	4,085	N/A	N/A	33,516,872	1,765	N/A	N/A	97,704,637
Capital gain distributions	4,224	N/A	N/A	2,454,426	4,224	N/A	N/A	2,454,426

Footnotes at end of table.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 1C. Long-Term Capital Gains and Losses, by Asset Type, Tax Year 2009—Continued

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

Transactions by asset type	Loss transactions				Transactions with no gain or loss		
	Number	Sales price	Basis	Loss	Number	Sales price	Basis
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Total	68,915	538,028,543	767,159,032	296,516,335	8,863	254,836,168	249,219,533
Corporate stock	37,531	191,873,491	295,781,961	105,098,196	2,013	26,172,675	26,588,489
U.S. Government obligations	239	6,502,215	6,705,943	217,891	598	16,554,891	16,554,893
State and local government obligations	663	31,148,542	33,430,287	2,283,780	1,020	65,072,543	65,039,514
Other bonds, notes and debentures	358	9,045,666	11,706,676	2,782,483	349	12,139,200	12,143,383
Put and call options	105	626,406	1,415,749	843,887	27	161,184	159,540
Futures contracts	21	799,946	984,346	184,883	1	22,183	22,183
Mutual funds, except tax-exempt bond funds	23,649	128,592,473	180,647,537	52,090,420	1,436	10,787,146	10,823,156
Tax-exempt bond mutual funds	1,218	16,937,181	19,514,851	2,467,408	342	4,068,631	4,068,002
Partnership, S corporation, and estate or trust interests	961	16,398,269	30,299,191	14,126,771	88	3,532,302	3,557,482
Livestock	81	229,130	551,550	323,289	193	583,416	170,914
Timber	6	38,679	49,860	11,181	3	16,521	16,521
Involuntary conversions	39	410,030	729,998	319,968	266	50,767	49,522
Residential rental property	204	30,655,069	42,470,419	11,874,552	102	17,862,069	18,577,839
Depreciable business personal property	246	1,203,927	2,126,261	915,550	1,251	6,826,317	4,957,497
Depreciable business real property	97	13,487,305	18,823,485	4,931,529	40	1,537,001	1,240,779
Farmland	8	1,662,126	1,751,915	89,789	8	351,781	169,463
Other land	62	4,618,940	6,469,683	1,850,742	48	1,445,247	1,260,627
Residences	23	3,828,337	5,210,504	1,396,624	218	59,530,827	55,800,839
Other assets	1,036	69,586,040	94,835,865	26,682,921	672	26,628,909	26,597,846
Unidentifiable	213	10,384,772	13,652,952	3,836,706	25	1,492,556	1,421,045
Passthrough gains or losses	2,156	N/A	N/A	64,187,765	163	N/A	N/A
Capital gain distributions	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A—Not applicable.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 2A. Returns with Short- and Long-Term Capital Gains and Losses, by Size of Adjusted Gross Income and Selected Asset Type, Tax Year 2008

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

Selected asset type and size of adjusted gross income	Returns with short-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
All asset types	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns:	11,025,059	6,687,195	70,374,998	136,265,941	8,523,812	126,178,946	320,496,208
Adjusted gross deficit	400,469	212,000	3,099,599	8,914,201	348,518	6,848,335	24,836,540
Under \$20,000	1,394,915	805,791	3,922,608	2,647,332	1,009,223	6,616,183	9,582,130
\$20,000 under \$50,000	1,810,042	1,038,294	8,125,852	5,311,866	1,335,494	15,179,409	19,506,718
\$50,000 under \$100,000	2,873,245	1,723,670	16,261,363	12,999,163	2,168,304	26,735,417	36,543,472
\$100,000 under \$200,000	2,535,578	1,551,550	16,647,549	14,507,147	1,985,088	27,826,903	44,557,957
\$200,000 under \$500,000	1,419,819	932,974	14,285,328	20,284,021	1,161,998	21,101,368	57,509,243
\$500,000 under \$1,000,000	349,633	244,754	3,822,714	9,193,293	303,170	9,999,427	31,608,578
\$1,000,000 or more	241,359	178,160	4,209,984	62,408,916	212,015	11,871,903	96,351,569

Selected asset type and size of adjusted gross income	Returns with long-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
All asset types	(8)	(9)	(10)	(11)	(12)	(13)	(14)
All returns:	21,393,247	18,631,046	74,501,480	640,492,564	10,595,130	73,503,491	271,135,136
Adjusted gross deficit	716,685	525,776	2,420,782	29,093,026	496,515	3,078,483	24,392,880
Under \$20,000	3,222,332	2,767,364	7,232,046	8,280,308	1,434,399	6,331,684	14,266,812
\$20,000 under \$50,000	3,990,494	3,449,490	9,331,297	14,220,141	1,755,109	8,337,120	19,345,986
\$50,000 under \$100,000	5,940,972	5,162,777	17,071,931	36,394,472	2,761,277	15,848,518	36,897,088
\$100,000 under \$200,000	4,697,845	4,129,938	16,408,033	52,109,157	2,360,451	16,182,828	41,456,912
\$200,000 under \$500,000	2,064,900	1,875,142	12,278,835	80,797,193	1,251,465	13,032,659	46,118,847
\$500,000 under \$1,000,000	472,624	444,107	4,711,916	63,683,014	318,387	5,299,687	26,183,623
\$1,000,000 or more	287,395	276,452	5,046,639	355,915,252	217,527	5,392,512	62,472,988

[1] Transactions with no gain or loss are included with gain transactions.

NOTES: Number of returns with gain plus number of returns with loss do not add to the total column because some returns show both. Detail may not add to totals because of rounding.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 2B. Returns with Short- and Long-Term Capital Gains and Losses, by Size of Adjusted Gross Income and Selected Asset Type, Tax Year 2008

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

Selected asset type and size of adjusted gross income	Returns with short-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Corporate stock							
All returns:	6,063,115	3,912,605	46,944,623	45,689,899	4,421,941	82,453,032	125,956,377
Adjusted gross deficit	178,085	113,717	2,315,126	2,290,345	150,216	5,119,297	6,966,720
Under \$20,000	650,743	406,159	2,403,854	1,602,956	432,539	3,207,812	4,053,773
\$20,000 under \$50,000	956,285	588,378	5,443,725	2,917,810	668,598	9,662,681	9,856,195
\$50,000 under \$100,000	1,587,133	1,016,777	9,758,786	8,437,952	1,135,393	16,573,308	19,860,315
\$100,000 under \$200,000	1,479,211	971,810	11,400,305	7,824,984	1,089,555	17,306,489	21,988,718
\$200,000 under \$500,000	862,361	582,021	10,127,624	7,962,997	652,707	14,323,653	21,872,384
\$500,000 under \$1,000,000	206,588	138,030	2,654,146	4,473,363	171,484	6,837,251	13,445,907
\$1,000,000 or more	142,707	95,713	2,841,056	10,179,493	121,447	9,422,541	27,912,364
Selected asset type and size of adjusted gross income	Returns with long-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Corporate stock							
All returns:	8,052,738	5,392,943	35,371,750	203,419,174	5,104,789	36,855,922	103,508,796
Adjusted gross deficit	230,495	110,884	1,161,254	4,666,374	188,209	1,566,736	5,333,781
Under \$20,000	976,016	630,208	2,289,613	2,936,058	573,469	2,006,668	4,864,574
\$20,000 under \$50,000	1,376,201	907,346	3,530,553	5,484,080	807,977	3,671,599	6,692,496
\$50,000 under \$100,000	2,181,945	1,425,755	7,211,448	12,855,502	1,348,226	7,139,841	13,707,307
\$100,000 under \$200,000	1,882,367	1,282,371	7,779,077	19,579,396	1,217,378	8,033,000	17,527,347
\$200,000 under \$500,000	1,000,366	713,513	6,884,871	29,277,371	680,296	7,071,455	18,219,286
\$500,000 under \$1,000,000	244,980	190,957	2,993,421	19,698,578	172,177	3,513,230	11,233,111
\$1,000,000 or more	160,369	131,908	3,521,514	108,921,814	117,057	3,853,392	25,930,894

[1] Transactions with no gain or loss are included with gain transactions.

NOTES: Number of returns with gain plus number of returns with loss do not add to the total column because some returns show both. Detail may not add to totals because of rounding.

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Table 2C. Returns with Short- and Long-Term Capital Gains and Losses, by Size of Adjusted Gross Income and Selected Asset Type, Tax Year 2008

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

Selected asset type and size of adjusted gross income	Returns with short-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Bonds and other securities [2]							
All returns:	626,672	463,268	2,004,855	1,203,577	277,370	831,978	6,304,108
Adjusted gross deficit	20,896	15,528	78,707	111,508	10,926	43,946	315,040
Under \$20,000	49,927	36,011	72,619	25,417	19,864	28,835	42,639
\$20,000 under \$50,000	95,670	69,615	347,803	60,550	36,489	75,291	64,525
\$50,000 under \$100,000	152,674	108,773	377,360	99,922	66,114	135,617	198,872
\$100,000 under \$200,000	136,582	101,881	398,818	112,449	58,617	173,156	498,413
\$200,000 under \$500,000	93,017	69,993	273,215	158,624	43,647	146,266	357,572
\$500,000 under \$1,000,000	36,229	30,086	197,642	81,997	16,825	114,555	443,952
\$1,000,000 or more	41,677	31,381	258,692	553,109	24,888	114,312	4,383,096

Selected asset type and size of adjusted gross income	Returns with long-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Bonds and other securities [2]							
All returns:	1,570,908	1,288,741	3,978,188	3,369,849	607,348	1,552,312	4,282,382
Adjusted gross deficit	40,422	36,263	154,179	163,358	11,095	48,307	260,287
Under \$20,000	170,854	135,242	250,041	61,587	56,113	97,246	111,894
\$20,000 under \$50,000	246,916	195,198	523,228	187,639	95,176	219,334	328,905
\$50,000 under \$100,000	414,968	343,137	948,768	286,789	150,611	346,645	466,328
\$100,000 under \$200,000	354,487	284,904	811,037	409,779	149,360	348,262	651,525
\$200,000 under \$500,000	210,976	179,909	727,636	510,506	85,765	263,765	638,871
\$500,000 under \$1,000,000	72,267	62,074	250,539	552,852	33,281	120,363	388,468
\$1,000,000 or more	60,017	52,013	312,759	1,197,339	25,947	108,391	1,436,105

[1] Transactions with no gain or loss are included with gain transactions.

[2] Bonds and other securities includes U.S. Government obligations, State and local government obligations and other notes and debentures.

NOTES: Number of returns with gain plus number of returns with loss do not add to the total column because some returns show both. Detail may not add to totals because of rounding.

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Table 2D. Returns with Short- and Long-Term Capital Gains and Losses, by Size of Adjusted Gross Income and Selected Asset Type

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

Selected asset type and size of adjusted gross income	Returns with short-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Real estate [2]							
All returns:	155,057	110,596	150,927	1,543,930	51,016	55,254	1,377,422
Adjusted gross deficit	9,046	3,857	5,151	122,631	6,995	7,754	517,489
Under \$20,000	16,617	9,792	11,343	60,363	7,447	9,093	179,278
\$20,000 under \$50,000	28,376	20,013	22,110	189,675	9,492	9,492	103,827
\$50,000 under \$100,000	49,694	38,183	44,014	261,384	11,696	12,045	289,716
\$100,000 under \$200,000	30,428	22,759	45,062	321,784	9,960	10,477	89,103
\$200,000 under \$500,000	14,485	10,820	15,056	260,473	3,994	4,846	85,216
\$500,000 under \$1,000,000	4,122	3,253	5,998	36,036	898	978	21,735
\$1,000,000 or more	2,290	1,918	2,194	291,585	534	569	91,059
Selected asset type and size of adjusted gross income	Returns with long-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Real estate [2]							
All returns:	1,345,089	1,136,726	1,473,694	67,216,910	266,680	307,541	10,819,093
Adjusted gross deficit	81,086	45,912	60,629	5,091,459	46,321	62,676	4,214,933
Under \$20,000	128,632	103,551	130,729	925,505	29,115	33,382	459,361
\$20,000 under \$50,000	240,445	201,393	245,083	1,826,314	41,933	44,890	1,210,091
\$50,000 under \$100,000	377,464	325,944	418,968	7,067,190	69,523	76,189	2,137,831
\$100,000 under \$200,000	295,125	257,340	331,626	10,145,426	52,669	61,819	1,388,938
\$200,000 under \$500,000	156,729	142,429	194,031	14,761,108	19,837	20,736	618,304
\$500,000 under \$1,000,000	42,279	39,560	63,283	10,696,936	3,851	3,937	169,877
\$1,000,000 or more	23,330	20,597	29,344	16,702,973	3,430	3,911	619,759

[1] Transactions with no gain or loss are included with gain transactions.

[2] Real estate includes residential rental property, depreciable business property, farmland, and other land.

NOTES: Number of returns with gain plus number of returns with loss do not add to the total column because some returns show both. Detail may not add to totals because of rounding.

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Table 2E. Returns with Short- and Long-Term Capital Gains and Losses, by Size of Adjusted Gross Income and Selected Asset Type, Tax Year 2008

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

Selected asset type and size of adjusted gross income	Returns with short-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Other asset types [2]							
All returns:	6,960,386	3,590,890	21,262,680	87,601,750	5,589,210	42,838,171	186,854,765
Adjusted gross deficit	292,940	137,294	700,583	6,389,718	253,141	1,677,338	17,037,291
Under \$20,000	885,319	442,569	1,432,522	945,466	674,497	3,370,442	5,306,440
\$20,000 under \$50,000	1,053,117	503,706	2,309,529	2,136,935	816,755	5,431,946	9,482,172
\$50,000 under \$100,000	1,735,106	868,018	6,077,539	4,193,565	1,366,793	10,013,935	16,191,034
\$100,000 under \$200,000	1,563,967	801,603	4,801,627	6,247,930	1,279,988	10,336,781	21,981,724
\$200,000 under \$500,000	952,586	529,431	3,868,475	11,900,264	795,490	6,626,603	35,194,072
\$500,000 under \$1,000,000	276,781	171,264	964,411	4,415,902	233,502	3,046,644	17,696,984
\$1,000,000 or more	200,570	137,006	1,107,994	51,371,969	169,043	2,334,481	63,965,048
Selected asset type and size of adjusted gross income	Returns with long-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Other asset types [2]							
All returns:	17,019,550	15,246,678	33,427,401	359,208,267	6,775,475	34,774,993	151,177,329
Adjusted gross deficit	581,403	452,481	1,036,518	18,825,473	327,319	1,399,944	14,543,617
Under \$20,000	2,577,161	2,266,567	4,532,399	4,324,424	947,261	4,191,633	8,513,407
\$20,000 under \$50,000	3,058,312	2,728,794	4,987,472	6,663,869	1,093,294	4,400,591	11,093,743
\$50,000 under \$100,000	4,657,141	4,191,281	8,429,918	15,672,654	1,686,945	8,282,922	20,276,732
\$100,000 under \$200,000	3,719,722	3,373,396	7,419,452	20,845,289	1,463,542	7,736,032	21,576,972
\$200,000 under \$500,000	1,731,682	1,586,384	4,445,997	35,486,689	839,232	5,675,245	26,416,857
\$500,000 under \$1,000,000	424,262	395,487	1,397,731	31,794,205	238,129	1,661,812	14,271,350
\$1,000,000 or more	269,867	252,288	1,177,915	225,595,665	179,753	1,426,814	34,484,650

[1] Transactions with no gain or loss are included with gain transactions.

[2] Other asset types includes all other asset categories not included in the above categories, including put and call options; futures contracts; all mutual funds; partnership, S corporation, and estate or trust interests; passthrough gains and losses; livestock; timber; involuntary conversions; depreciable business personal property; residences; unidentifiable assets; and capital gain distributions.

NOTES: Number of returns with gain plus number of returns with loss do not add to the total column because some returns show both. Detail may not add to totals because of rounding.

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Table 2A. Returns with Short- and Long-Term Capital Gains and Losses, by Size of Adjusted Gross Income and Selected Asset Type, Tax Year 2009

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

Selected asset type and size of adjusted gross income	Returns with short-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All asset types							
All returns:	10,418,985	7,623,573	91,116,259	172,890,332	6,852,816	63,030,447	157,318,686
Adjusted gross deficit	521,110	334,552	4,114,832	10,261,834	379,776	3,842,047	13,503,541
Under \$20,000	1,402,568	999,332	8,767,955	4,160,738	859,196	5,576,759	12,048,025
\$20,000 under \$50,000	1,799,120	1,247,479	10,864,359	7,126,403	1,179,318	8,351,963	9,755,155
\$50,000 under \$100,000	2,648,871	1,905,930	24,408,477	38,386,467	1,710,195	13,080,497	41,646,741
\$100,000 under \$200,000	2,383,361	1,800,470	19,966,169	20,824,947	1,569,526	14,510,928	21,924,919
\$200,000 under \$500,000	1,226,072	965,490	13,430,068	20,983,675	834,525	9,752,630	18,826,880
\$500,000 under \$1,000,000	280,131	235,338	4,211,125	14,245,813	204,303	3,782,833	12,165,670
\$1,000,000 or more	157,752	134,980	5,353,274	56,900,455	115,976	4,132,789	27,447,755
Selected asset type and size of adjusted gross income	Returns with long-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
All asset types							
All returns:	16,620,255	12,105,434	41,035,114	317,952,345	10,316,972	68,915,281	296,516,335
Adjusted gross deficit	819,413	489,414	1,931,387	22,336,720	622,519	3,943,508	39,859,078
Under \$20,000	2,591,232	1,812,997	4,709,365	6,480,227	1,553,286	8,165,481	20,889,877
\$20,000 under \$50,000	3,131,245	2,240,881	6,281,720	10,468,456	1,839,794	11,130,989	25,710,826
\$50,000 under \$100,000	4,389,756	3,204,674	9,596,080	20,986,416	2,570,871	14,795,318	39,798,641
\$100,000 under \$200,000	3,508,298	2,615,616	8,450,043	33,417,186	2,198,321	13,873,850	42,385,337
\$200,000 under \$500,000	1,629,587	1,275,666	6,016,905	42,446,383	1,118,330	9,840,324	42,619,008
\$500,000 under \$1,000,000	357,537	299,414	2,025,154	29,352,079	264,268	3,840,262	26,328,778
\$1,000,000 or more	193,186	166,773	2,024,461	152,464,878	149,582	3,325,549	58,924,790

[1] Transactions with no gain or loss are included with gain transactions.

NOTES: Number of returns with gain plus number of returns with loss do not add to the total column because some returns show both. Detail may not add to totals because of rounding.

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Table 2B. Returns with Short- and Long-Term Capital Gains and Losses, by Size of Adjusted Gross Income and Selected Asset Type, Tax Year 2009

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

Selected asset type and size of adjusted gross income	Returns with short-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Corporate stock							
All returns:	5,950,513	4,534,173	54,319,272	51,236,865	3,730,265	40,991,346	52,933,544
Adjusted gross deficit	245,548	171,869	2,721,635	3,056,830	171,444	2,544,814	3,755,470
Under \$20,000	710,621	530,459	5,706,829	2,501,016	422,079	3,323,671	3,194,666
\$20,000 under \$50,000	975,044	709,190	6,820,725	3,938,309	617,153	5,527,405	5,301,215
\$50,000 under \$100,000	1,554,948	1,164,026	11,619,413	6,443,434	979,137	8,138,381	7,670,217
\$100,000 under \$200,000	1,456,150	1,144,901	13,124,508	12,032,590	901,029	9,117,574	11,158,788
\$200,000 under \$500,000	755,922	603,558	8,642,174	9,189,653	475,394	6,827,315	8,437,873
\$500,000 under \$1,000,000	163,687	135,742	2,715,229	5,041,183	106,553	2,772,619	4,649,250
\$1,000,000 or more	88,592	74,428	2,968,759	9,033,850	57,476	2,739,567	8,766,063
Selected asset type and size of adjusted gross income	Returns with long-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Corporate stock							
All returns:	7,349,272	4,409,609	18,954,545	113,580,208	5,005,241	37,530,650	105,098,196
Adjusted gross deficit	293,978	144,906	856,761	5,243,110	231,512	2,130,365	8,150,692
Under \$20,000	988,217	573,975	1,806,960	3,190,909	661,850	2,975,465	7,984,796
\$20,000 under \$50,000	1,288,014	754,732	2,835,697	3,510,368	850,607	5,887,671	9,805,291
\$50,000 under \$100,000	1,934,558	1,137,045	4,389,554	7,881,381	1,267,966	8,107,155	14,799,184
\$100,000 under \$200,000	1,700,104	1,049,665	3,771,085	12,277,240	1,154,448	6,740,351	17,862,144
\$200,000 under \$500,000	852,016	534,460	3,191,463	15,084,244	630,166	6,330,279	20,639,649
\$500,000 under \$1,000,000	190,173	138,401	1,155,237	12,163,719	139,268	2,728,996	8,682,299
\$1,000,000 or more	102,212	76,425	947,789	54,229,237	69,425	2,630,368	17,174,142

[1] Transactions with no gain or loss are included with gain transactions.

NOTES: Number of returns with gain plus number of returns with loss do not add to the total column because some returns show both. Detail may not add to totals because of rounding.

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Table 2C. Returns with Short- and Long-Term Capital Gains and Losses, by Size of Adjusted Gross Income and Selected Asset Type, Tax Year 2009

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

Selected asset type and size of adjusted gross income	Returns with short-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Bonds and other securities [2]							
All returns:	585,651	463,113	1,503,268	2,574,210	226,544	540,898	1,602,980
Adjusted gross deficit	31,407	27,221	82,425	249,187	12,741	45,502	187,194
Under \$20,000	62,050	50,540	109,837	44,001	17,439	32,168	57,142
\$20,000 under \$50,000	85,564	62,671	179,468	83,080	36,094	55,111	77,231
\$50,000 under \$100,000	138,304	106,990	262,813	159,937	52,050	110,538	89,844
\$100,000 under \$200,000	135,761	106,477	344,429	324,103	55,600	145,511	301,086
\$200,000 under \$500,000	78,883	63,577	253,604	224,784	29,554	59,297	159,545
\$500,000 under \$1,000,000	26,317	21,530	93,293	301,193	11,550	40,054	240,479
\$1,000,000 or more	27,367	24,107	177,399	1,187,925	11,515	52,717	490,459

Selected asset type and size of adjusted gross income	Returns with long-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Bonds and other securities [2]							
All returns:	1,417,860	1,159,543	3,301,071	4,201,665	550,436	1,260,365	5,284,154
Adjusted gross deficit	38,146	29,610	89,161	215,338	18,044	48,008	375,406
Under \$20,000	200,606	165,519	360,708	118,982	61,556	112,948	383,794
\$20,000 under \$50,000	248,027	200,578	507,857	259,507	94,960	216,657	378,212
\$50,000 under \$100,000	378,511	303,403	823,941	569,882	152,401	339,716	998,508
\$100,000 under \$200,000	300,551	251,578	732,957	531,792	119,494	250,395	843,423
\$200,000 under \$500,000	163,115	135,268	454,306	701,567	67,242	139,145	612,309
\$500,000 under \$1,000,000	54,509	44,405	170,083	167,360	20,567	79,870	525,741
\$1,000,000 or more	34,395	29,181	162,058	1,637,237	16,171	73,627	1,166,761

[1] Transactions with no gain or loss are included with gain transactions.

[2] Bonds and other securities includes U.S. Government obligations, State and local government obligations and other notes and debentures.

NOTES: Number of returns with gain plus number of returns with loss do not add to the total column because some returns show both. Detail may not add to totals because of rounding.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 2D. Returns with Short- and Long-Term Capital Gains and Losses, by Size of Adjusted Gross Income and Selected Asset Type, Tax Year 2009

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

Selected asset type and size of adjusted gross income	Returns with short-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Real estate [2]							
All returns:	134,189	104,136	162,031	1,326,791	34,496	39,987	1,346,852
Adjusted gross deficit	10,966	7,447	16,905	142,068	5,148	8,340	703,194
Under \$20,000	15,152	10,551	30,098	71,470	4,601	5,798	75,918
\$20,000 under \$50,000	23,710	16,953	25,169	89,679	7,244	7,244	159,680
\$50,000 under \$100,000	39,001	34,117	45,922	381,292	5,989	6,511	123,575
\$100,000 under \$200,000	28,644	20,687	26,047	388,826	8,014	8,575	141,837
\$200,000 under \$500,000	10,958	9,724	12,458	137,017	2,203	2,203	72,650
\$500,000 under \$1,000,000	2,389	2,185	2,776	62,625	* 257	* 265	* 13,362
\$1,000,000 or more	3,369	2,472	2,655	53,815	1,040	1,051	56,636

Selected asset type and size of adjusted gross income	Returns with long-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Real estate [2]							
All returns:	1,188,493	934,224	1,184,703	34,619,854	302,559	370,927	18,746,612
Adjusted gross deficit	95,432	46,264	59,590	2,184,550	58,300	92,641	7,597,587
Under \$20,000	135,590	105,125	124,255	678,546	35,500	40,213	1,668,137
\$20,000 under \$50,000	231,627	172,748	225,458	2,340,910	64,228	69,561	2,364,704
\$50,000 under \$100,000	337,525	280,923	348,939	4,365,934	67,949	78,475	3,204,849
\$100,000 under \$200,000	238,605	201,275	259,426	7,536,159	49,064	58,744	1,590,788
\$200,000 under \$500,000	118,520	103,102	132,670	9,398,609	19,153	20,148	839,642
\$500,000 under \$1,000,000	20,327	16,062	20,201	3,458,876	4,800	4,913	726,926
\$1,000,000 or more	10,868	8,725	14,163	4,656,271	3,566	6,231	753,979

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

[1] Transactions with no gain or loss are included with gain transactions.

[2] Real estate includes residential rental property, depreciable business property, farmland, and other land.

NOTES: Number of returns with gain plus number of returns with loss do not add to the total column because some returns show both. Detail may not add to totals because of rounding.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 2E. Returns with Short- and Long-Term Capital Gains and Losses, by Size of Adjusted Gross Income and Selected Asset Type, Tax Year 2009

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

Selected asset type and size of adjusted gross income	Returns with short-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
Other asset types [2]	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns:	6,366,003	4,286,294	35,132,186	117,752,466	4,204,200	21,458,216	101,435,311
Adjusted gross deficit	358,819	205,279	1,293,218	6,813,162	259,617	1,243,354	8,856,129
Under \$20,000	868,055	574,377	2,918,730	1,532,860	549,514	2,213,783	8,651,411
\$20,000 under \$50,000	1,077,655	677,004	3,835,542	2,995,774	714,058	2,761,177	4,214,855
\$50,000 under \$100,000	1,505,445	991,078	12,473,534	31,396,466	977,207	4,824,587	33,747,515
\$100,000 under \$200,000	1,408,156	973,550	6,470,181	8,079,429	925,407	5,239,268	10,323,207
\$200,000 under \$500,000	802,942	589,779	4,521,808	11,432,221	534,696	2,863,814	10,156,813
\$500,000 under \$1,000,000	216,082	169,032	1,399,816	8,840,812	150,585	969,895	7,262,580
\$1,000,000 or more	128,847	106,195	2,219,357	46,661,744	93,118	1,342,337	18,222,801

Selected asset type and size of adjusted gross income	Returns with long-term capital gain or loss						
	Number of returns	Returns with short-term gain transactions [1]			Returns with short-term loss transactions		
		Number of returns	Number of transactions	Gain	Number of returns	Number of transactions	Loss
Other asset types [2]	(8)	(9)	(10)	(11)	(12)	(13)	(14)
All returns:	11,448,992	8,211,785	17,594,795	165,550,618	6,497,641	29,753,340	167,387,373
Adjusted gross deficit	605,273	361,529	918,605	14,552,630	432,566	1,670,209	23,218,589
Under \$20,000	1,804,429	1,220,018	2,380,827	2,267,969	1,014,862	5,033,765	10,639,843
\$20,000 under \$50,000	2,097,339	1,495,334	2,664,851	4,189,242	1,140,461	4,956,178	13,158,397
\$50,000 under \$100,000	2,892,538	2,097,349	3,964,647	7,823,237	1,528,288	6,263,490	20,518,035
\$100,000 under \$200,000	2,369,484	1,728,686	3,613,252	12,081,111	1,325,995	6,821,751	22,052,354
\$200,000 under \$500,000	1,202,518	921,459	2,211,910	16,868,500	731,445	3,350,737	20,525,698
\$500,000 under \$1,000,000	301,832	241,044	674,199	12,774,017	199,522	1,026,448	16,380,048
\$1,000,000 or more	175,579	146,365	1,166,504	94,993,911	124,501	630,762	40,894,411

[1] Transactions with no gain or loss are included with gain transactions.

[2] Other asset types includes all other asset categories not included in the above categories, including put and call options; involuntary conversions; depreciable business personal property; residences; unidentifiable assets; and capital gain distributions.

NOTES: Number of returns with gain plus number of returns with loss do not add to the total column because some returns show both.

Detail may not add to totals because of rounding.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 3A. Short- and Long-Term Capital Asset Transactions, by Selected Asset Type and Month of Sale, Tax Year 2008

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

Type of transaction, month of sale	All asset types							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	70,375	1,794,917,151	1,711,026,490	136,265,941	126,179	1,998,064,587	2,259,011,208	320,496,208
January	6,075	121,206,314	115,424,675	7,005,818	7,836	81,486,914	92,273,568	10,731,274
February	4,319	136,920,437	133,567,478	3,905,651	5,124	64,545,523	69,535,107	4,993,198
March	4,264	105,216,010	100,764,240	4,895,740	6,080	59,168,273	67,846,573	8,572,445
April	6,846	119,153,961	112,571,333	7,928,329	6,358	75,708,278	83,862,119	8,156,512
May	5,687	86,823,287	82,588,729	4,990,616	4,357	40,760,683	45,319,500	4,508,180
June	5,054	168,548,649	165,430,632	6,585,911	6,082	329,273,096	352,757,425	23,580,091
July	5,324	101,959,503	103,249,307	5,478,722	7,906	72,076,335	82,682,200	10,661,057
August	4,252	65,803,979	64,864,243	4,064,851	5,378	43,463,698	50,651,896	7,225,638
September	5,707	85,394,688	80,703,723	6,998,727	9,568	71,718,005	88,222,083	16,560,746
October	5,254	86,096,737	82,129,913	6,666,017	14,031	102,574,811	132,166,792	29,354,780
November	4,228	71,531,334	70,117,072	4,463,973	9,983	91,948,714	114,948,828	23,001,324
December	5,005	198,796,547	192,852,490	8,026,480	10,576	269,960,822	313,018,320	42,057,917
Not determinable	8,361	447,465,706	406,762,654	65,255,107	32,901	695,379,436	765,726,797	131,093,045
Long-term transactions								
Total:	74,501	1,292,375,835	874,485,507	640,492,564	73,503	677,259,440	909,757,888	271,135,136
January	7,637	127,393,067	81,375,117	38,995,858	4,109	31,998,564	38,876,196	7,158,604
February	4,691	82,254,888	60,209,684	20,938,031	2,779	26,560,465	30,817,942	4,230,391
March	5,046	87,231,451	58,993,708	25,272,255	3,855	30,654,456	37,344,659	6,687,780
April	6,122	101,434,992	70,850,932	28,658,696	3,807	28,040,838	33,236,483	5,146,040
May	5,069	98,743,093	67,123,434	28,031,578	3,092	22,585,397	27,717,278	5,059,479
June	5,507	138,893,222	97,788,731	38,559,229	4,277	72,675,297	89,764,615	17,137,850
July	5,128	92,355,614	63,266,968	26,647,227	4,860	37,277,000	47,320,266	10,084,713
August	4,008	76,457,747	53,997,927	21,097,699	3,718	25,565,809	33,387,197	7,643,701
September	4,689	88,298,292	55,900,581	30,499,156	6,125	45,022,966	61,042,336	16,050,745
October	4,041	82,567,885	55,828,087	25,021,552	11,428	74,088,350	104,711,089	30,563,227
November	2,770	57,786,763	38,728,473	17,991,894	8,822	50,333,676	78,698,853	28,352,048
December	3,170	98,254,444	62,657,988	34,046,248	13,118	111,474,570	174,239,393	62,451,625
Not determinable	16,625	160,704,377	107,763,877	304,733,139	3,513	120,982,053	152,601,579	70,568,933

[1] Transactions with no gain or loss are included with gain transactions.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 3B. Short- and Long-Term Capital Asset Transactions, by Selected Asset Type and Month of Sale, Tax Year 2008

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

Type of transaction, month of sale	Corporate stock							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	46,945	614,624,442	583,394,007	45,689,899	82,453	940,769,264	1,066,244,570	125,956,376
January	4,079	47,275,534	44,077,091	4,025,401	5,285	41,980,551	48,565,529	6,596,401
February	2,912	31,309,793	28,936,603	2,786,317	3,547	22,309,504	25,609,663	3,312,538
March	2,868	31,116,554	28,913,224	2,622,070	4,172	29,692,351	35,202,764	5,404,998
April	4,888	42,476,227	37,464,644	5,691,212	4,294	50,101,702	55,874,678	5,772,816
May	4,094	40,114,743	37,053,745	3,384,888	3,047	25,213,342	28,344,566	3,087,411
June	3,265	55,294,669	52,468,026	3,170,630	3,830	123,908,706	133,052,610	9,237,476
July	3,695	34,491,901	33,664,470	2,778,626	5,469	39,678,022	46,317,208	6,630,959
August	3,078	32,477,958	31,617,033	2,255,497	3,670	23,440,857	27,767,372	4,369,030
September	4,141	41,542,236	39,708,034	3,240,217	6,522	34,209,192	44,336,294	10,220,204
October	3,184	40,901,536	40,609,268	2,422,815	8,946	55,393,503	72,050,053	16,446,948
November	2,632	31,280,306	31,844,041	2,122,853	6,465	55,477,683	68,368,149	12,863,583
December	2,965	72,716,969	71,253,771	2,907,625	5,978	170,368,318	191,003,703	20,441,813
Not determinable	5,143	113,626,017	105,784,056	8,281,748	21,229	268,995,533	289,751,982	21,572,199
Long-term transactions								
Total:	35,372	405,125,079	201,291,930	203,419,174	36,856	200,329,692	303,699,277	103,508,796
January	4,740	39,582,440	20,059,637	19,627,946	2,156	9,707,016	13,396,962	3,660,898
February	2,937	24,633,288	13,591,381	11,047,160	1,644	6,166,571	8,255,460	2,085,001
March	3,223	26,998,065	14,255,001	12,788,243	2,249	8,286,123	11,842,800	3,549,463
April	3,566	28,692,776	14,320,735	14,358,079	1,892	7,252,789	9,750,159	2,465,684
May	2,858	27,804,008	13,437,697	14,368,191	1,614	6,238,669	9,056,254	2,812,897
June	3,185	40,435,845	21,752,401	18,445,466	2,180	21,156,586	28,204,752	7,079,376
July	3,007	28,111,589	12,840,200	14,952,167	2,663	12,071,008	17,417,591	5,341,832
August	2,385	21,640,461	10,810,394	10,834,120	2,029	8,329,245	12,990,906	4,674,540
September	3,094	32,384,146	15,934,373	16,454,547	3,456	12,991,016	21,298,076	8,337,572
October	2,441	28,354,910	13,788,328	14,575,413	5,609	19,657,070	32,477,322	12,808,608
November	1,724	21,153,509	9,311,707	11,739,181	4,765	12,737,588	24,855,058	12,108,745
December	1,567	33,290,356	16,409,270	16,873,562	5,915	32,452,587	58,818,884	26,453,664
Not determinable	644	52,043,686	24,780,807	27,355,100	685	43,283,424	55,335,054	12,130,517

[1] Transactions with no gain or loss are included with gain transactions.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or non-taxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 3C. Short- and Long-Term Capital Asset Transactions, by Selected Asset Type and Month of Sale, Tax Year 2008

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

Type of transaction, month of sale	Bonds and other securities [1]							
	Gain transactions [2]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	2,005	515,106,416	513,371,298	1,203,577	832	140,501,264	146,785,201	6,304,108
January	204	46,040,085	45,873,891	130,901	64	13,154,909	13,191,880	36,970
February	239	89,903,703	89,804,433	97,899	89	27,897,751	27,952,908	54,992
March	187	54,747,384	54,654,662	96,955	43	6,201,913	6,372,064	171,517
April	161	58,305,910	57,646,756	120,086	56	7,271,165	7,424,595	164,151
May	161	31,353,382	31,311,917	43,734	55	5,231,410	5,278,904	47,495
June	154	30,860,197	30,826,134	36,418	53	4,518,809	4,578,566	59,756
July	151	43,622,991	43,593,939	30,343	70	4,799,321	4,904,972	105,578
August	120	18,729,057	18,648,063	73,879	53	3,801,605	3,883,387	81,695
September	106	21,986,080	21,434,672	60,223	84	5,605,581	6,079,528	473,946
October	139	19,707,099	19,663,551	46,105	89	6,950,074	7,601,452	651,277
November	113	15,721,469	15,675,944	70,696	65	6,617,722	7,345,452	727,727
December	187	36,314,876	36,300,550	212,835	67	6,550,323	7,350,985	800,661
Not determinable	84	47,814,183	47,936,786	183,503	44	41,900,682	44,820,508	2,928,343
Long-term transactions								
Total:	3,978	224,443,632	221,144,446	3,369,849	1,552	70,678,866	74,927,692	4,282,382
January	427	20,762,112	20,525,240	279,864	163	7,088,092	7,295,385	203,747
February	398	24,876,020	24,550,481	359,825	113	8,038,332	8,159,584	104,096
March	283	16,910,600	16,642,680	312,831	113	4,418,640	4,548,766	130,125
April	290	22,098,202	21,872,859	217,974	105	5,017,190	5,193,547	176,530
May	292	18,491,699	18,074,915	423,836	92	3,971,014	4,074,306	103,295
June	340	20,524,976	20,283,935	241,425	118	4,431,897	4,592,164	159,329
July	381	19,740,501	19,516,674	224,507	127	4,373,505	4,598,274	224,972
August	305	16,359,582	16,212,292	148,168	103	3,760,703	3,993,869	233,165
September	249	11,462,802	11,236,048	233,455	122	3,461,552	3,857,439	453,860
October	318	14,289,620	14,004,243	289,602	159	6,798,911	7,236,527	437,613
November	243	11,037,300	10,887,143	145,891	117	4,810,881	5,262,508	451,651
December	373	15,638,483	15,470,160	179,558	193	10,348,839	11,599,799	1,247,030
Not determinable	80	12,251,736	11,867,776	312,913	27	4,159,309	4,515,525	356,968

[1] Bonds and other securities includes U.S. Government obligations, State and local government obligations and other notes and debentures.

[2] Transactions with no gain or loss are included with gain transactions.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 3D. Short- and Long-Term Capital Asset Transactions, by Selected Asset Type and Month of Sale, Tax Year 2008

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

Type of transaction, month of sale	Real estate [1]							
	Gain transactions [2]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	151	14,534,578	13,004,796	1,543,930	55	11,007,420	12,384,841	1,377,422
January	16	1,384,743	1,312,968	71,930	3	320,662	342,208	21,547
February	6	857,953	799,767	58,071	3	246,690	265,032	18,342
March	8	1,196,204	1,108,043	80,444	6	1,043,504	1,169,760	126,256
April	9	1,601,069	1,494,790	109,609	6	756,561	892,576	136,014
May	10	1,280,238	1,097,315	157,166	5	570,833	636,454	65,621
June	17	1,104,951	943,067	161,884	3	651,999	690,087	38,089
July	9	666,024	597,703	71,895	7	4,220,129	4,347,696	127,567
August	15	1,731,219	1,446,592	249,056	4	237,413	269,867	32,454
September	13	1,036,757	896,980	145,538	4	1,242,178	1,367,917	125,739
October	14	1,343,633	1,233,926	115,509	3	709,664	745,218	35,554
November	16	1,073,292	917,858	164,381	2	614,037	759,786	145,749
December	10	716,484	603,147	89,292	7	277,434	480,814	203,380
Not determinable	8	542,010	552,639	69,155	3	116,317	417,426	301,110
Long-term transactions								
Total:	1,474	192,604,214	116,932,897	67,216,910	308	36,885,964	48,179,174	10,819,093
January	152	24,281,416	13,344,425	7,564,581	22	1,365,853	1,850,198	328,494
February	100	13,420,782	6,856,744	6,229,373	15	1,893,262	2,399,371	506,098
March	120	12,547,748	7,823,861	4,732,227	18	2,648,272	3,193,834	545,562
April	129	21,857,969	14,205,322	6,515,121	27	2,523,666	2,976,750	453,036
May	151	18,797,133	12,879,694	5,384,294	22	2,563,291	3,382,036	781,374
June	116	15,940,400	8,381,677	6,907,916	32	4,064,862	4,977,166	909,070
July	127	13,553,448	9,417,092	3,898,651	25	3,284,064	4,083,240	799,176
August	115	15,607,321	9,975,776	5,072,613	26	1,850,488	2,619,201	639,848
September	127	16,799,110	9,108,773	7,277,482	25	4,144,465	5,340,514	1,133,771
October	109	13,414,835	9,223,020	4,178,965	35	3,844,556	4,873,343	983,620
November	89	9,143,347	6,346,143	2,579,254	18	4,244,233	5,427,736	1,183,502
December	105	14,241,878	7,713,812	5,481,332	34	3,719,663	5,851,690	2,057,215
Not determinable	32	2,998,827	1,656,558	1,395,100	8	739,290	1,204,096	498,325

[1] Real estate includes residential rental property, depreciable business property, farmland and other land.

[2] Transactions with no gain or loss are included with gain transactions.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 3E. Short- and Long-Term Capital Asset Transactions, by Selected Asset Type and Month of Sale, Tax Year 2008

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

Type of transaction, month of sale	Other asset types [1]							
	Gain transactions [2]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	21,263	648,383,086	598,997,845	87,601,750	42,838	905,745,773	1,033,552,194	186,854,765
January	1,775	26,304,639	23,956,634	2,761,528	2,484	26,030,792	30,173,951	4,076,356
February	1,160	14,692,024	13,874,304	963,364	1,484	14,091,579	15,707,504	1,607,326
March	1,200	18,113,188	16,052,527	2,089,375	1,859	22,230,506	25,101,986	2,869,674
April	1,788	16,770,756	15,965,143	2,007,423	2,001	17,578,850	19,670,270	2,083,531
May	1,421	13,502,857	12,388,610	1,404,828	1,250	9,704,232	11,015,175	1,304,117
June	1,615	80,842,217	80,808,616	3,212,126	2,196	200,193,582	214,436,161	14,244,771
July	1,467	23,176,584	25,393,194	2,595,857	2,361	23,378,863	27,112,323	3,796,952
August	1,039	12,865,745	13,152,555	1,486,419	1,652	15,983,824	18,731,271	2,742,459
September	1,447	20,606,450	18,622,901	3,370,719	2,958	30,661,053	36,438,344	5,740,856
October	1,916	24,051,029	20,529,728	4,081,587	4,993	39,521,569	51,770,069	12,221,001
November	1,467	23,416,999	21,582,550	2,106,043	3,451	29,239,272	38,475,441	9,264,265
December	1,842	88,821,494	84,499,490	4,813,577	4,523	92,764,748	114,182,818	20,612,063
Not determinable	3,124	285,219,105	252,171,593	56,708,904	11,625	384,366,904	430,736,881	106,291,394
Long-term transactions								
Total:	33,427	380,774,843	267,281,122	359,208,267	34,775	368,377,576	481,135,016	151,177,329
January	2,302	38,939,931	24,464,912	11,435,499	1,768	13,837,602	16,333,651	2,965,464
February	1,242	15,392,936	11,814,252	3,123,152	1,007	10,462,300	12,003,527	1,535,195
March	1,397	20,900,864	13,213,197	6,866,789	1,474	15,224,668	17,656,148	2,436,271
April	2,119	21,318,489	14,759,988	6,142,911	1,783	12,984,998	14,909,538	1,906,496
May	1,742	21,588,495	14,489,837	6,916,218	1,363	9,708,986	11,081,215	1,341,883
June	1,845	53,533,130	41,183,911	12,207,914	1,946	43,032,264	51,951,287	8,940,518
July	1,585	21,824,618	14,603,124	6,686,851	2,045	17,391,539	21,014,772	3,669,226
August	1,180	14,109,495	9,554,754	4,171,269	1,559	11,625,168	13,782,755	2,095,886
September	1,192	18,769,266	12,575,198	5,876,038	2,522	24,425,932	30,546,308	6,125,542
October	1,151	19,458,783	13,912,800	5,465,618	5,624	43,713,983	59,987,836	16,271,154
November	701	12,715,323	9,072,854	3,442,019	3,921	28,351,653	42,701,649	14,345,569
December	1,109	30,100,699	19,192,030	11,357,690	6,975	64,818,453	97,809,841	32,669,566
Not determinable	15,862	92,122,813	68,444,266	275,516,300	2,789	72,800,029	91,356,490	56,874,560

[1] Other asset types includes all other asset categories not included in the above categories, including put and call options; futures contracts; all mutual funds; partnership, S corporation, and estate or trust interests; passthrough gains and losses; livestock; timber; involuntary conversions; depreciable business personal property; residences; unidentifiable assets; and capital gain distributions.

[2] Transactions with no gain or loss are included with gain transactions.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 3A. Short- and Long-Term Capital Asset Transactions, by Selected Asset Type and Month of Sale, Tax Year 2009

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

Type of transaction, month of sale	All asset types							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	91,116	1,689,440,895	1,644,661,850	172,890,332	63,030	1,313,996,925	1,448,548,310	157,318,686
January	4,496	73,128,984	69,829,090	4,502,884	6,542	43,342,412	53,138,379	9,674,622
February	4,001	54,024,605	51,679,828	3,215,294	7,537	41,397,801	52,294,598	10,903,295
March	5,451	73,636,250	69,476,914	4,881,797	8,736	45,051,405	58,305,991	13,372,557
April	6,339	90,363,684	85,068,715	6,616,071	5,071	37,579,876	44,159,034	6,647,389
May	7,041	85,869,315	97,045,035	6,974,160	4,562	70,198,240	75,457,755	5,262,115
June	6,622	203,014,798	212,821,191	9,735,994	4,090	130,021,818	139,442,437	9,410,125
July	6,390	72,026,876	85,909,154	5,780,173	3,862	27,594,127	32,131,953	4,752,066
August	7,451	80,922,849	86,878,425	7,188,467	3,014	28,497,877	31,873,362	3,445,499
September	6,932	107,621,008	99,153,401	6,914,425	2,609	31,094,118	34,412,506	3,350,241
October	7,559	94,923,839	97,214,599	7,349,302	3,023	33,228,979	36,808,324	3,659,904
November	6,246	62,722,712	59,698,810	5,117,173	2,628	67,850,096	72,149,843	4,342,715
December	6,747	210,165,122	201,033,652	9,423,701	3,000	171,916,883	181,269,232	9,594,983
Not determinable	15,841	481,020,853	428,853,036	95,190,890	8,356	586,223,293	637,104,896	72,903,176
Long-term transactions								
Total:	41,035	808,551,616	582,642,176	317,952,345	68,915	538,028,543	767,159,032	296,516,335
January	2,450	50,119,690	34,211,623	15,348,624	4,959	27,926,201	41,437,287	13,515,443
February	2,180	39,949,408	28,611,567	10,877,847	6,625	32,445,846	51,038,565	18,727,200
March	2,204	45,934,545	33,267,548	11,858,693	7,569	36,198,400	59,886,000	23,777,000
April	2,067	44,081,776	32,029,259	11,479,967	5,343	27,641,495	40,088,981	12,453,196
May	1,923	45,371,778	32,225,420	11,342,334	5,003	27,553,085	38,832,398	11,273,913
June	2,545	83,251,188	66,002,531	16,039,768	5,021	75,129,501	101,138,402	26,063,012
July	2,662	58,993,921	41,258,043	14,308,888	5,403	29,834,962	42,261,764	12,474,385
August	2,722	61,936,730	46,308,628	13,623,301	5,141	28,952,906	38,951,035	9,791,116
September	2,723	58,384,062	44,049,544	13,667,701	4,381	31,400,579	43,064,825	11,713,126
October	3,467	67,010,548	49,954,980	15,696,423	5,224	34,098,696	46,051,810	11,993,662
November	3,399	56,402,451	41,255,011	13,935,444	4,561	29,841,920	41,890,255	11,981,637
December	4,473	106,176,762	74,065,479	31,376,650	5,320	57,213,070	87,475,225	30,423,005
Not determinable	8,220	90,938,756	59,402,543	138,396,704	4,366	99,791,881	135,042,485	102,329,641

[1] Transactions with no gain or loss are included with gain transactions.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 3B. Short- and Long-Term Capital Asset Transactions, by Selected Asset Type and Month of Sale, Tax Year 2009

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

Type of transaction, month of sale	Corporate stock							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	54,319	736,985,654	682,831,524	51,236,865	40,991	659,030,257	710,934,632	52,933,544
January	2,702	28,956,803	27,787,574	2,166,217	4,411	20,684,973	26,579,499	5,819,588
February	2,605	25,354,630	24,048,170	1,762,221	5,296	20,129,896	27,007,494	6,883,846
March	3,640	36,031,800	33,873,341	2,629,246	6,122	22,128,814	29,665,789	7,639,438
April	4,489	51,241,374	48,218,064	4,148,983	3,472	20,835,569	24,316,841	3,576,303
May	4,826	43,469,623	39,743,897	4,361,070	3,263	20,305,367	23,296,085	3,015,093
June	4,030	71,159,203	66,484,444	4,671,319	2,714	59,919,059	64,357,520	4,421,283
July	4,192	37,107,067	33,641,794	3,787,858	2,620	13,711,414	16,173,171	2,481,336
August	5,106	42,898,356	38,275,165	4,797,018	1,996	17,973,521	19,598,598	1,699,682
September	4,543	52,127,205	39,532,037	4,129,158	1,851	21,180,734	22,891,027	1,779,693
October	5,025	47,501,924	43,777,969	4,402,374	2,149	22,196,955	24,219,756	2,063,307
November	3,950	31,043,348	28,082,184	3,091,164	1,911	16,749,915	19,323,166	2,611,373
December	4,244	84,655,386	80,505,644	4,418,935	1,920	127,346,900	132,021,130	4,878,907
Not determinable	4,967	185,438,934	178,861,242	6,871,303	3,267	275,867,141	281,484,556	6,063,695
Long-term transactions								
Total:	18,955	247,163,919	136,285,221	113,580,208	37,531	191,873,491	295,781,961	105,098,196
January	1,332	13,727,872	6,507,230	7,252,983	2,789	7,260,595	13,119,696	5,890,353
February	1,414	12,408,296	6,265,509	6,151,902	4,146	10,207,361	19,037,221	8,869,687
March	1,262	11,874,901	6,211,725	5,770,256	4,311	11,219,681	22,342,849	11,290,100
April	1,088	11,391,120	5,872,240	5,851,448	2,938	9,244,804	14,984,720	5,758,210
May	1,050	10,982,210	4,918,733	6,081,263	3,083	8,497,069	13,439,516	4,979,840
June	1,253	21,966,536	13,608,459	8,386,830	2,607	28,995,207	39,422,853	10,425,518
July	1,409	14,505,377	6,950,559	7,619,433	3,138	10,121,437	15,721,885	5,676,986
August	1,589	20,396,321	13,106,685	7,320,812	2,929	9,635,065	14,575,064	5,031,107
September	1,558	16,304,636	9,544,045	6,811,517	2,425	9,173,870	14,637,665	5,499,149
October	1,976	20,200,826	10,860,563	9,357,402	2,584	10,460,800	15,596,528	5,172,825
November	2,108	18,200,256	10,477,564	7,822,997	2,781	10,637,430	16,531,682	5,909,113
December	2,293	35,402,220	19,250,939	16,155,772	2,850	21,539,496	36,293,692	14,741,227
Not determinable	623	39,803,349	22,710,969	18,997,593	950	44,880,676	60,078,590	15,854,081

[1] Transactions with no gain or loss are included with gain transactions.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 3C. Short- and Long-Term Capital Asset Transactions, by Selected Asset Type and Month of Sale, Tax Year 2009

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

Type of transaction, month of sale	Bonds and other securities [1]							
	Gain transactions [2]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	1,503	229,268,964	226,755,493	2,574,210	541	49,329,166	50,923,042	1,602,980
January	155	19,445,958	19,257,580	188,458	80	4,130,222	4,342,727	212,518
February	137	11,224,203	11,088,995	136,814	56	4,137,726	4,346,824	209,357
March	129	14,732,169	14,610,507	122,830	57	3,181,159	3,402,245	220,925
April	111	15,216,824	15,033,868	183,101	38	2,866,898	2,954,865	88,108
May	117	19,118,244	18,840,907	278,053	40	4,399,188	4,481,848	85,373
June	109	27,795,657	27,520,397	275,388	50	5,698,275	5,894,443	196,177
July	108	11,141,131	11,027,484	116,765	27	2,183,902	2,240,632	56,684
August	110	12,314,447	12,098,620	218,090	30	1,609,156	1,651,029	41,846
September	114	20,760,886	20,488,069	272,839	33	1,820,505	1,838,672	18,330
October	110	21,246,301	20,949,733	296,869	32	2,546,717	2,590,447	43,728
November	98	10,139,520	9,977,782	165,206	34	9,255,434	9,429,617	174,162
December	137	34,776,787	34,623,797	153,148	46	5,592,640	5,705,528	112,910
Not determinable	67	11,356,838	11,237,754	166,648	19	1,907,345	2,044,165	142,862
Long-term transactions								
Total:	3,301	159,523,188	155,315,554	4,201,665	1,260	46,696,423	51,842,906	5,284,154
January	229	14,396,636	14,022,948	348,052	110	4,660,476	5,146,004	499,619
February	242	10,367,978	10,162,468	206,362	104	3,163,812	3,648,691	485,213
March	240	11,275,257	11,066,846	208,510	103	3,457,521	3,838,830	381,352
April	259	11,273,672	11,069,047	204,872	95	3,351,711	3,674,945	323,006
May	280	11,949,567	11,744,255	205,544	100	5,068,226	5,438,345	370,120
June	295	14,381,583	14,009,500	356,067	110	4,765,333	5,116,223	350,654
July	294	12,254,730	12,055,978	198,846	124	4,134,649	4,609,730	475,085
August	258	13,655,597	13,483,161	172,477	81	3,088,584	3,281,712	193,123
September	224	11,796,224	11,522,790	273,996	93	4,496,590	4,877,397	380,411
October	299	14,729,223	14,343,652	385,749	116	2,901,707	3,532,938	632,922
November	246	10,592,804	10,339,047	254,278	93	2,598,575	2,896,966	300,074
December	352	16,691,800	16,072,194	635,113	100	3,063,584	3,640,006	576,433
Not determinable	84	6,158,117	5,423,668	751,798	32	1,945,656	2,141,119	316,142

[1] Bonds and other securities includes U.S. Government obligations, State and local government obligations and other notes and debentures.

[2] Transactions with no gain or loss are included with gain transactions.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 3D. Short- and Long-Term Capital Asset Transactions, by Selected Asset Type and Month of Sale, Tax Year 2009

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

Type of transaction, month of sale	Real estate [1]							
	Gain transactions [2]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	162	11,851,457	10,346,727	1,326,791	40	5,157,277	6,520,763	1,346,852
January	18	673,146	624,046	49,004	* 1	* 70,027	* 84,258	* 14,231
February	11	880,253	771,184	155,478	2	186,208	210,919	24,711
March	13	774,908	598,196	178,489	2	172,684	192,640	19,956
April	10	665,196	463,499	201,775	2	763,570	820,759	57,188
May	18	668,503	610,430	57,794	1	34,711	88,463	53,752
June	19	912,795	794,699	118,250	5	340,136	418,037	77,893
July	9	1,203,214	1,064,424	82,584	5	834,173	1,311,728	477,555
August	13	2,102,485	2,035,023	77,335	* 3	* 231,947	* 247,500	* 15,553
September	10	1,146,011	1,037,780	108,443	2	191,417	254,494	63,077
October	13	642,304	550,100	92,286	6	562,800	733,879	171,080
November	10	1,107,580	820,036	94,765	2	272,371	322,417	50,046
December	14	963,654	884,030	79,623	5	592,130	742,360	150,230
Not determinable	4	111,409	93,279	30,965	6	905,104	1,093,311	171,580
Long-term transactions								
Total:	1,185	115,297,135	78,265,004	34,619,854	371	50,423,440	69,515,502	18,746,612
January	101	6,772,194	3,755,739	2,732,131	12	2,303,716	2,982,963	657,599
February	75	6,580,949	4,217,460	2,104,059	23	3,976,033	4,856,184	882,108
March	89	9,075,688	5,867,924	3,222,330	25	2,888,932	3,910,434	1,021,502
April	95	9,167,201	5,716,061	3,009,815	35	4,666,711	5,877,399	1,210,688
May	89	7,280,981	5,172,406	2,225,565	22	3,160,018	4,761,808	1,571,848
June	110	9,457,019	8,270,696	2,196,177	33	3,975,880	5,837,521	1,861,641
July	114	11,624,245	7,769,960	2,757,003	29	2,989,503	4,044,338	1,054,835
August	96	11,487,671	7,561,991	3,664,351	28	4,404,041	5,907,512	1,203,092
September	92	10,268,415	6,814,823	3,122,583	39	5,159,441	7,044,803	1,881,584
October	85	10,580,645	7,150,720	2,663,559	39	6,037,934	7,995,843	1,956,555
November	95	9,816,925	6,519,964	3,222,352	31	4,677,587	6,758,883	2,010,962
December	116	10,548,593	7,481,393	3,097,967	46	5,237,770	7,895,841	2,668,393
Not determinable	28	2,636,608	1,965,869	601,963	9	945,874	1,641,972	765,805

[1] Real estate includes residential rental property, depreciable business property, farmland and other land.

[2] Transactions with no gain or loss are included with gain transactions.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 3E. Short- and Long-Term Capital Asset Transactions, by Selected Asset Type and Month of Sale, Tax Year 2009

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

Type of transaction, month of sale	Other asset types [1]							
	Gain transactions [2]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	35,132	711,334,820	724,728,106	117,752,466	21,458	600,480,225	680,169,873	101,435,311
January	1,622	24,053,077	22,159,889	2,099,205	2,050	18,457,190	22,131,895	3,628,285
February	1,247	16,352,876	15,462,352	1,148,543	2,182	16,943,971	20,725,378	3,781,397
March	1,666	21,698,551	19,995,564	1,946,690	2,555	19,568,749	25,045,316	5,492,238
April	1,728	23,175,044	21,353,284	2,082,212	1,560	13,113,839	16,066,570	2,925,789
May	2,079	22,505,297	37,726,145	2,277,244	1,257	45,458,974	47,591,359	2,107,896
June	2,462	102,655,392	117,590,768	4,670,073	1,322	64,063,834	68,771,751	4,714,601
July	2,081	22,575,162	40,175,150	1,792,966	1,210	10,864,638	12,406,421	1,736,491
August	2,220	23,440,741	34,313,225	2,085,597	985	8,680,921	10,372,636	1,687,151
September	2,263	33,369,147	37,978,017	2,400,160	721	7,550,582	9,010,355	1,422,064
October	2,409	25,407,031	31,810,541	2,557,750	837	7,906,917	9,233,062	1,366,199
November	2,187	20,361,986	20,735,662	1,764,526	682	41,572,376	43,074,643	1,507,133
December	2,351	89,765,158	85,015,047	4,771,429	1,029	38,385,213	42,800,215	4,452,936
Not determinable	10,817	285,975,358	240,412,462	88,156,072	5,068	307,913,020	352,940,271	66,613,129
Long-term transactions								
Total:	17,595	286,567,374	212,776,397	165,550,618	29,753	249,035,189	350,018,663	167,387,373
January	779	12,323,226	7,405,249	4,809,525	2,048	13,699,458	20,186,368	6,467,572
February	439	8,961,363	6,410,922	2,360,169	2,351	15,092,740	23,488,139	8,487,760
March	602	9,106,050	6,612,452	2,450,402	3,129	18,597,343	29,739,087	11,064,170
April	604	9,011,678	6,174,694	2,322,141	2,273	9,991,326	15,010,617	5,006,935
May	485	9,514,729	6,445,384	2,737,834	1,798	10,827,772	15,192,728	4,351,579
June	857	23,537,706	19,241,382	4,134,005	2,271	37,360,221	50,726,732	13,422,987
July	817	10,291,875	7,040,345	3,383,839	2,111	10,831,038	15,644,300	4,784,304
August	754	8,397,302	5,874,333	2,387,438	2,102	11,756,218	15,108,404	3,354,449
September	825	12,443,330	9,154,314	3,385,486	1,823	12,239,324	16,172,948	3,951,324
October	1,076	12,985,209	9,933,167	2,990,799	2,482	14,566,584	18,750,797	4,187,328
November	926	10,900,084	8,410,521	2,287,921	1,657	11,868,166	15,541,199	3,660,125
December	1,687	34,149,494	22,674,277	11,084,097	2,324	27,310,637	39,335,004	12,187,854
Not determinable	7,744	124,945,328	97,399,358	121,216,961	3,386	54,894,363	75,122,340	86,460,986

[1] Other asset types includes all other asset categories not included in the above categories, including put and call options; futures contracts; all mutual funds; partnership, S corporation, and estate or trust interests; passthrough gains and losses; livestock; timber; involuntary conversions; depreciable business personal property; residences; unidentifiable assets; and capital gain distributions.

[2] Transactions with no gain or loss are included with gain transactions.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 4A. Short- and Long-Term Capital Asset Transactions, by Selected Asset Type and Length of Time Held, Tax Year 2008

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

Type of transaction, length of time held	All asset types							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	70,375	1,794,917,151	1,711,026,490	136,265,941	126,179	1,998,064,587	2,259,011,208	320,496,208
Under 1 month	29,716	535,101,819	533,139,648	27,488,153	19,394	276,956,888	306,728,852	29,754,156
1 month under 2 months	5,512	110,376,255	105,629,863	5,560,692	8,627	63,434,375	76,164,870	12,539,554
2 months under 3 months	3,629	75,708,705	72,429,123	3,709,241	7,607	45,099,158	55,748,851	10,552,620
3 months under 4 months	3,025	64,664,602	62,177,219	2,915,792	7,059	43,162,777	52,671,246	9,528,537
4 months under 5 months	2,550	38,598,872	36,663,652	2,011,144	5,963	34,659,158	44,697,175	9,750,344
5 months under 6 months	2,144	41,400,100	39,651,874	1,852,152	5,672	32,480,531	41,847,243	9,358,200
6 months under 7 months	2,441	47,323,405	45,401,469	2,090,819	5,620	38,598,162	48,555,621	9,882,163
7 months under 8 months	1,789	27,589,381	25,693,413	1,843,874	5,017	46,781,683	55,087,516	8,066,642
8 months under 9 months	1,770	26,931,008	24,716,583	2,215,150	4,650	33,406,824	41,387,919	7,969,954
9 months under 10 months	1,607	37,625,632	36,170,015	1,453,365	4,564	22,545,293	31,166,468	8,572,291
10 months under 11 months	1,457	33,190,081	32,022,015	1,390,995	4,169	38,129,331	46,193,234	8,058,081
11 months under 12 months	1,410	24,182,051	21,824,474	2,282,133	4,163	40,597,091	48,991,041	8,468,115
1 year or more [2]	584	76,816,269	73,143,511	3,751,804	1,244	54,604,263	60,513,780	5,817,101
Period not determinable	12,741	655,408,971	602,363,631	77,700,627	42,431	1,227,609,053	1,349,257,392	182,178,448
Long-term transactions								
Total:	74,501	1,292,375,835	874,485,507	640,492,564	73,503	677,259,440	909,757,888	271,135,136
Under 18 months [3]	9,637	136,365,734	117,353,612	18,937,143	17,938	98,544,665	134,943,381	36,348,537
18 months under 2 years	7,255	75,236,743	62,631,630	12,315,391	11,323	55,518,872	76,141,839	20,705,668
2 years under 3 years	10,648	125,162,404	106,162,526	19,473,302	12,501	69,603,364	95,962,145	25,935,020
3 years under 4 years	5,799	81,317,965	64,542,236	16,102,055	6,030	42,393,409	56,655,196	14,267,114
4 years under 5 years	3,604	57,729,162	42,489,294	14,134,704	3,266	26,765,227	36,989,503	10,134,655
5 years under 10 years	7,757	180,013,811	120,424,424	52,405,173	6,574	40,965,888	61,174,860	20,179,983
10 years under 15 years	2,267	61,912,684	28,767,223	28,826,643	1,246	7,800,722	12,459,361	4,639,840
15 years under 20 years	844	43,919,698	17,038,221	23,601,787	276	3,490,195	4,893,349	1,418,552
20 years or more	1,145	76,488,806	22,252,656	45,151,256	161	1,862,342	3,508,812	1,646,811
Period not determinable	25,545	454,228,829	292,823,684	409,545,109	14,190	330,314,757	427,029,442	135,858,955

[1] Transactions with no gain or loss are included with gain transactions.

[2] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[3] Includes some transactions where holding period was under 1 year and transactions not reclassified during editing.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 4B. Short- and Long-Term Capital Asset Transactions, by Selected Asset Type and Length of Time Held, Tax Year 2008

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

Type of transaction, length of time held	Corporate stock							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	46,945	614,624,442	583,394,007	45,689,899	82,453	940,769,264	1,066,244,570	125,956,376
Under 1 month	21,010	276,071,281	271,998,014	16,817,084	14,333	202,323,149	222,286,365	19,988,667
1 month under 2 months	3,531	27,237,810	25,005,333	2,846,336	6,129	29,816,000	37,232,345	7,366,479
2 months under 3 months	2,493	17,592,024	15,799,272	2,039,321	5,389	22,690,998	29,327,519	6,631,123
3 months under 4 months	1,939	12,992,840	11,408,170	1,739,032	4,925	20,231,911	26,395,678	6,161,407
4 months under 5 months	1,755	9,602,193	8,352,491	1,313,999	4,310	13,146,362	19,179,769	5,924,140
5 months under 6 months	1,471	8,019,363	6,854,711	1,213,357	3,988	12,985,595	18,792,914	5,804,620
6 months under 7 months	1,646	14,270,344	13,117,592	1,187,960	3,822	13,017,438	18,788,811	5,776,302
7 months under 8 months	1,257	9,724,928	8,536,959	1,200,933	3,416	10,146,052	15,258,766	4,875,069
8 months under 9 months	1,289	5,420,654	4,472,700	968,517	3,148	10,488,745	15,314,555	4,817,043
9 months under 10 months	1,057	5,888,852	4,928,811	1,035,052	2,868	8,080,846	12,495,791	4,413,272
10 months under 11 months	1,015	5,023,067	4,243,914	816,838	2,601	23,175,190	27,940,143	4,761,153
11 months under 12 months	962	5,609,584	4,788,699	845,917	2,349	17,422,514	21,851,227	4,465,217
1 year or more [2]	317	30,064,361	29,427,506	640,258	717	37,272,101	40,233,766	2,899,585
Period not determinable	7,203	187,107,141	174,459,834	13,025,295	24,459	519,972,363	561,146,920	42,072,301
Long-term transactions								
Total:	35,372	405,125,079	201,291,930	203,419,174	36,856	200,329,692	303,699,277	103,508,796
Under 18 months [3]	6,596	38,501,735	28,071,236	10,440,049	11,248	32,744,740	51,929,429	19,170,782
18 months under 2 years	5,146	23,730,492	15,856,286	7,886,067	6,522	17,363,895	27,668,802	10,431,906
2 years under 3 years	7,328	34,586,421	23,525,112	11,116,357	6,606	20,626,633	33,060,508	12,433,598
3 years under 4 years	3,705	23,666,791	14,405,779	9,266,756	2,935	11,148,031	17,275,080	6,124,560
4 years under 5 years	2,156	17,370,507	9,765,044	7,425,624	1,537	8,022,618	13,683,892	5,671,721
5 years under 10 years	4,077	49,270,280	22,885,662	26,354,802	3,421	13,050,512	25,010,827	11,921,439
10 years under 15 years	1,125	21,680,891	6,330,328	15,193,342	539	2,543,199	5,133,899	2,587,901
15 years under 20 years	421	12,243,310	2,418,713	9,827,112	97	500,601	1,118,623	619,710
20 years or more	546	21,531,185	2,732,279	18,793,076	77	408,904	1,191,887	782,984
Period not determinable	4,271	162,543,467	75,301,491	87,115,988	3,872	93,920,561	127,626,330	33,764,196

[1] Transactions with no gain or loss are included with gain transactions.

[2] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[3] Includes some transactions where holding period was under 1 year and transactions not reclassified during editing.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 4C. Short- and Long-Term Bond and Other Securities Capital Asset Transactions, by Selected Asset Type and Length of Time Held, Tax Year 2008

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

Type of transaction, length of time held	Bonds and other securities [1]							
	Gain transactions [2]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	2,005	515,106,416	513,371,298	1,203,577	832	140,501,264	146,785,201	6,304,108
Under 1 month	506	152,267,316	151,364,700	203,563	76	9,840,177	9,966,815	126,596
1 month under 2 months	180	64,231,477	64,157,392	71,324	55	9,493,137	9,703,948	210,787
2 months under 3 months	141	45,515,694	45,544,038	119,923	60	5,605,383	5,725,022	119,639
3 months under 4 months	153	36,560,950	36,587,733	93,172	80	8,766,675	9,011,575	244,811
4 months under 5 months	104	20,271,134	20,222,643	49,626	59	8,448,683	8,778,260	329,408
5 months under 6 months	99	23,858,513	23,818,489	41,224	54	6,663,649	7,003,689	340,040
6 months under 7 months	129	19,695,087	19,597,302	89,892	74	10,316,791	10,613,913	297,117
7 months under 8 months	93	12,026,711	11,887,951	61,312	75	15,867,110	16,199,861	332,753
8 months under 9 months	89	12,701,964	12,651,174	52,597	56	6,026,387	6,313,329	286,939
9 months under 10 months	125	26,251,826	26,144,598	34,223	63	4,432,676	4,710,021	277,345
10 months under 11 months	74	17,723,689	17,666,630	24,927	37	3,675,216	3,891,007	215,792
11 months under 12 months	93	9,439,593	9,200,340	80,860	46	4,965,276	5,379,260	413,984
1 year or more [3]	36	7,145,946	7,121,856	24,195	15	1,384,165	1,461,575	77,410
Period not determinable	182	67,416,515	67,406,451	256,738	82	45,015,941	48,026,926	3,031,487
Long-term transactions								
Total:	3,978	224,443,632	221,144,446	3,369,849	1,552	70,678,866	74,927,692	4,282,382
Under 18 months [4]	554	48,532,369	48,123,306	413,959	250	17,122,237	18,214,873	1,091,245
18 months under 2 years	358	25,414,007	25,032,468	418,020	165	9,466,942	9,861,644	436,025
2 years under 3 years	569	36,612,867	36,349,168	281,002	225	11,478,517	12,102,407	619,893
3 years under 4 years	389	17,201,004	17,106,439	152,879	214	6,628,788	6,985,007	356,316
4 years under 5 years	272	10,409,120	10,178,085	231,461	169	5,745,221	6,038,090	292,869
5 years under 10 years	1,001	36,536,960	35,840,779	727,463	323	7,242,767	7,790,134	547,367
10 years under 15 years	199	5,168,962	4,837,141	345,835	53	917,219	1,020,516	99,697
15 years under 20 years	51	904,525	850,953	53,572	6	72,001	102,821	30,820
20 years or more	29	1,153,295	1,086,284	64,127	4	65,607	123,670	58,063
Period not determinable	557	42,510,524	41,739,823	681,531	144	11,939,568	12,688,531	750,088

[1] Bonds and other securities includes U.S. Government obligations, State and local government obligations and other notes and debentures.

[2] Transactions with no gain or loss are included with gain transactions.

[3] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[4] Includes some transactions where holding period was under 1 year and transactions not reclassified during editing.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 4D. Short- and Long-Term Real Estate Capital Asset Transactions, by Selected Asset Type and Length of Time Held, Tax Year 2008

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

Type of transaction, length of time held	Real estate [1]							
	Gain transactions [2]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	151	14,534,578	13,004,796	1,543,930	55	11,007,420	12,384,841	1,377,422
Under 1 month	19	1,914,490	1,644,883	249,530	5	246,491	291,574	45,083
1 month under 2 months	10	549,797	459,954	89,843	3	103,382	129,327	25,945
2 months under 3 months	18	929,580	785,526	144,062	2	163,152	166,321	3,169
3 months under 4 months	12	1,424,886	1,207,798	218,821	1	128,901	130,452	1,550
4 months under 5 months	9	488,084	419,985	72,334	1	326,118	337,886	11,768
5 months under 6 months	8	878,901	847,530	31,409	4	607,908	655,494	47,586
6 months under 7 months	11	1,173,983	1,070,365	101,067	3	806,424	829,597	23,173
7 months under 8 months	8	670,805	535,517	135,443	3	356,714	451,677	94,963
8 months under 9 months	8	712,814	588,370	98,446	4	1,562,108	1,774,003	211,895
9 months under 10 months	7	576,539	531,830	41,626	7	690,467	857,073	166,606
10 months under 11 months	8	2,063,374	1,984,662	43,141	4	877,985	1,045,883	167,898
11 months under 12 months	11	932,933	836,369	93,978	6	1,201,863	1,343,514	141,651
1 year or more [3]	8	990,174	892,993	97,299	3	154,024	212,615	58,591
Period not determinable	14	1,228,218	1,199,015	126,932	9	3,781,883	4,159,426	377,544
Long-term transactions								
Total:	1,474	192,604,214	116,932,897	67,216,910	308	36,885,964	48,179,174	10,819,093
Under 18 months [4]	73	16,240,313	11,980,070	4,104,681	36	4,408,960	5,729,481	1,234,900
18 months under 2 years	48	7,234,588	5,929,529	1,253,362	32	4,516,748	5,264,565	747,817
2 years under 3 years	116	18,100,664	15,205,383	3,160,791	58	10,413,283	13,927,372	3,184,989
3 years under 4 years	96	12,744,710	10,628,036	2,277,695	33	6,318,232	8,201,749	1,883,468
4 years under 5 years	72	11,803,793	9,305,856	2,343,102	19	2,733,782	3,302,349	463,658
5 years under 10 years	274	35,302,115	23,597,138	10,554,917	51	3,240,092	4,794,802	1,551,487
10 years under 15 years	182	15,991,473	8,336,649	6,904,935	10	616,432	896,246	279,814
15 years under 20 years	109	11,821,917	4,687,073	6,506,228	8	424,447	468,827	55,169
20 years or more	296	31,607,707	8,616,540	17,884,568	13	138,058	266,587	128,529
Period not determinable	209	31,756,932	18,646,624	12,226,632	48	4,075,932	5,327,197	1,289,262

[1] Real estate includes residential rental property, depreciable business property, farmland and other land.

[2] Transactions with no gain or loss are included with gain transactions.

[3] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[4] Includes some transactions where holding period was under 1 year and transactions not reclassified during editing.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 4E. Short- and Long-Term Other Securities Capital Asset Transactions, by Selected Asset Type and Length of Time Held, Tax Year 2008

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

Type of transaction, length of time held	Other asset types [1]							
	Gain transactions [2]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	21,263	648,383,086	598,997,845	87,601,750	42,838	905,745,773	1,033,552,194	186,854,765
Under 1 month	8,178	104,754,076	108,039,396	10,215,975	4,980	64,547,071	74,184,099	9,593,810
1 month under 2 months	1,791	18,347,086	15,997,100	2,553,189	2,441	24,021,856	29,099,249	4,936,344
2 months under 3 months	977	11,671,407	10,300,287	1,405,934	2,156	16,639,625	20,529,988	3,798,689
3 months under 4 months	920	13,426,461	12,899,413	675,441	2,053	14,035,290	17,133,542	3,120,769
4 months under 5 months	682	8,237,461	7,668,533	575,185	1,593	12,737,995	16,401,261	3,485,029
5 months under 6 months	565	8,387,297	7,834,450	566,162	1,626	12,182,514	15,350,745	3,162,418
6 months under 7 months	655	12,144,724	11,519,531	711,900	1,721	14,457,509	18,323,299	3,785,571
7 months under 8 months	432	5,000,206	4,578,187	434,093	1,523	20,411,808	23,177,211	2,763,857
8 months under 9 months	384	8,095,575	7,004,338	1,095,590	1,442	15,329,584	17,986,031	2,654,078
9 months under 10 months	417	4,902,034	4,561,961	338,899	1,625	9,341,304	13,103,583	3,715,068
10 months under 11 months	360	8,264,367	8,006,301	504,426	1,528	10,400,941	13,316,202	2,913,239
11 months under 12 months	340	7,317,974	6,080,517	1,255,038	1,761	17,007,438	20,417,040	3,447,263
1 year or more [3]	223	38,522,709	35,608,077	2,990,052	508	15,793,973	18,605,824	2,781,515
Period not determinable	5,339	399,311,708	358,899,753	64,279,866	17,882	658,838,866	735,924,120	136,697,116
Long-term transactions								
Total:	33,427	380,774,843	267,281,122	359,208,267	34,775	368,377,576	481,135,016	151,177,329
Under 18 months [4]	2,402	30,864,782	26,963,394	3,915,161	6,403	44,146,290	58,905,434	14,809,885
18 months under 2 years	1,696	16,719,340	13,446,132	2,728,134	4,604	24,157,256	33,331,737	9,088,860
2 years under 3 years	2,601	26,067,830	20,808,916	4,667,218	5,611	26,947,048	36,687,400	9,649,965
3 years under 4 years	1,578	18,358,288	13,313,424	4,266,131	2,844	18,047,765	23,856,249	5,816,251
4 years under 5 years	1,090	12,944,641	8,513,655	4,046,250	1,539	9,875,245	13,215,963	3,345,557
5 years under 10 years	2,349	32,932,525	18,940,988	13,398,286	2,779	17,394,489	23,520,318	6,138,940
10 years under 15 years	738	10,156,493	4,213,612	5,510,393	644	3,723,873	5,408,699	1,672,428
15 years under 20 years	246	7,434,691	1,838,094	5,456,102	164	2,493,146	3,163,833	673,608
20 years or more	237	11,364,029	4,907,309	6,010,395	67	1,213,973	1,849,386	635,754
Period not determinable	20,491	213,932,225	154,335,599	309,210,197	10,121	220,378,491	281,195,997	99,346,080

[1] Other asset types includes all other asset categories not included in the above categories, including put and call options; futures contracts; all mutual funds; partnership, S corporation, and estate or trust interests; passthrough gains and losses; livestock; timber; involuntary conversions; depreciable business personal property; residences; unidentifiable assets; and capital gain distributions.

[2] Transactions with no gain or loss are included with gain transactions.

[3] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[4] Includes some transactions where holding period was under 1 year and transactions not reclassified during editing.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 4A. Short- and Long-Term Capital Asset Transactions, by Selected Asset Type and Length of Time Held, Tax Year 2009

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

Type of transaction, length of time held	All asset types							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	91,116	1,689,440,895	1,644,661,850	172,890,332	63,030	1,313,996,925	1,448,548,310	157,318,686
Under 1 month	26,884	437,517,052	490,236,012	19,555,300	13,652	195,443,492	210,234,060	15,373,781
1 month under 2 months	7,177	78,355,098	72,478,173	6,768,547	4,941	33,757,507	39,644,573	5,864,292
2 months under 3 months	5,636	49,975,120	45,364,265	4,798,759	4,166	25,668,223	30,677,780	5,021,537
3 months under 4 months	5,113	59,946,189	55,443,276	4,635,084	3,545	21,460,653	26,127,313	4,671,631
4 months under 5 months	4,472	39,945,768	35,731,917	4,320,101	3,416	14,860,784	18,640,753	3,813,362
5 months under 6 months	3,982	37,658,219	33,667,290	4,140,382	2,618	12,454,781	16,345,450	3,891,820
6 months under 7 months	3,595	47,856,294	44,012,100	3,894,951	2,717	14,718,663	18,359,762	3,606,276
7 months under 8 months	3,203	24,001,072	20,658,850	3,386,376	2,565	13,729,372	17,437,034	3,724,525
8 months under 9 months	2,455	22,954,800	19,753,224	3,236,025	2,266	9,091,434	12,974,519	3,892,374
9 months under 10 months	2,255	27,030,400	24,555,143	2,490,197	2,404	9,528,161	13,408,627	3,918,239
10 months under 11 months	1,780	17,493,278	15,579,911	2,097,345	2,620	11,175,315	14,959,246	3,795,750
11 months under 12 months	1,550	22,012,326	20,264,396	1,568,859	2,743	13,217,985	16,948,713	3,742,819
1 year or more [2]	632	74,626,540	72,131,535	2,532,208	870	38,347,803	41,717,934	3,232,197
Period not determinable	22,380	750,068,739	694,785,758	109,466,199	14,510	900,542,753	971,072,545	92,770,083
Long-term transactions								
Total:	41,035	808,551,616	582,642,176	317,952,345	68,915	538,028,543	767,159,032	296,516,335
Under 18 months [3]	5,944	84,432,397	77,729,145	7,033,287	16,372	75,253,709	105,577,115	30,384,633
18 months under 2 years	2,675	43,251,988	39,687,201	4,149,896	10,175	40,381,560	59,333,461	19,066,991
2 years under 3 years	3,858	68,895,147	61,134,333	9,064,938	11,515	52,749,915	79,006,533	26,118,279
3 years under 4 years	3,015	50,297,693	43,081,004	8,611,084	6,038	32,206,662	47,010,467	14,796,411
4 years under 5 years	2,091	42,593,989	35,203,422	8,160,740	3,191	24,522,432	35,569,806	10,991,764
5 years under 10 years	5,683	116,204,076	86,573,877	26,347,629	5,685	35,597,923	53,503,426	17,940,277
10 years under 15 years	1,784	53,768,113	30,298,203	18,988,007	1,319	6,790,940	11,779,401	5,009,346
15 years under 20 years	749	28,383,733	12,450,653	13,539,715	233	2,634,715	3,735,989	1,067,860
20 years or more	947	55,608,370	22,239,147	26,386,328	228	1,453,300	3,020,863	1,567,537
Period not determinable	14,290	265,116,110	174,245,190	195,670,720	14,160	266,437,389	368,621,970	169,573,238

[1] Transactions with no gain or loss are included with gain transactions.

[2] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[3] Includes some transactions where holding period was under 1 year and transactions not reclassified during editing.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 4B. Short- and Long-Term Capital Asset Transactions, by Selected Asset Type and Length of Time Held, Tax Year 2009

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

Type of transaction, length of time held	Corporate stock							
	Gain transactions [1]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	54,319	736,985,654	682,831,524	51,236,865	40,991	659,030,257	710,934,632	52,933,544
Under 1 month	19,101	277,122,404	261,203,408	11,546,834	9,874	145,677,017	154,209,141	8,937,322
1 month under 2 months	4,764	30,589,557	27,315,969	3,951,618	3,320	14,390,026	17,030,725	2,654,795
2 months under 3 months	3,800	19,905,062	16,801,352	3,252,669	2,784	12,241,255	14,746,833	2,516,217
3 months under 4 months	3,408	17,839,601	14,982,008	2,969,268	2,585	8,241,915	11,023,651	2,785,895
4 months under 5 months	3,004	13,529,247	11,142,278	2,479,081	2,620	6,295,619	8,642,595	2,364,369
5 months under 6 months	2,636	12,890,849	10,523,122	2,500,634	1,983	4,826,929	7,407,741	2,589,038
6 months under 7 months	2,290	12,902,380	10,596,554	2,346,929	2,102	5,972,619	8,517,324	2,509,719
7 months under 8 months	2,066	7,730,641	5,904,265	1,846,779	1,965	5,107,767	7,409,292	2,312,066
8 months under 9 months	1,566	7,255,715	5,116,891	2,233,898	1,666	4,037,535	6,668,592	2,639,886
9 months under 10 months	1,384	6,805,029	5,370,626	1,441,236	1,798	4,367,531	6,663,448	2,333,150
10 months under 11 months	1,093	5,786,758	4,557,078	1,243,240	1,977	4,207,979	6,492,816	2,295,062
11 months under 12 months	928	5,059,522	4,207,459	872,906	1,980	8,634,606	10,974,851	2,351,099
1 year or more [2]	311	34,626,846	33,739,779	893,901	580	18,743,204	20,393,675	1,564,630
Period not determinable	7,969	284,942,041	271,370,735	13,657,874	5,756	416,286,256	430,753,946	15,080,295
Long-term transactions								
Total:	18,955	247,163,919	136,285,221	113,580,208	37,531	191,873,491	295,781,961	105,098,196
Under 18 months [3]	3,852	20,340,492	16,901,049	3,690,606	11,411	29,142,064	46,143,361	17,088,061
18 months under 2 years	1,663	11,011,868	9,002,075	2,202,638	6,826	16,560,382	28,041,974	11,584,400
2 years under 3 years	2,326	13,873,091	9,128,471	5,122,576	6,729	18,799,105	31,261,873	12,621,985
3 years under 4 years	1,849	10,945,111	6,761,739	4,185,365	3,059	8,554,713	14,194,148	5,681,792
4 years under 5 years	1,264	12,549,736	8,125,844	4,433,887	1,530	5,351,509	8,836,362	3,505,539
5 years under 10 years	2,856	27,187,013	14,583,462	12,689,102	2,981	10,719,849	20,270,271	9,582,337
10 years under 15 years	909	18,032,126	6,762,986	11,194,170	731	2,783,874	6,061,090	3,285,280
15 years under 20 years	429	10,484,510	2,425,447	8,058,831	117	835,769	1,455,389	576,336
20 years or more	450	13,738,044	2,599,438	11,159,271	87	438,775	1,244,587	805,812
Period not determinable	3,357	109,001,930	59,994,710	50,843,760	4,059	98,687,450	138,272,906	40,366,655

[1] Transactions with no gain or loss are included with gain transactions.

[2] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[3] Includes some transactions where holding period was under 1 year and transactions not reclassified during editing.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

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Table 4C. Short- and Long-Term Bond and Other Securities Capital Asset Transactions, by Selected Asset Type and Length of Time Held, Tax Year 2009

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

Type of transaction, length of time held	Bonds and other securities [1]							
	Gain transactions [2]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	1,503	229,268,964	226,755,493	2,574,210	541	49,329,166	50,923,042	1,602,980
Under 1 month	219	44,871,925	44,699,465	179,279	78	5,279,843	5,363,050	83,690
1 month under 2 months	106	23,569,631	23,392,763	176,997	41	4,103,879	4,148,242	44,353
2 months under 3 months	106	15,242,639	15,012,168	230,568	45	2,994,440	3,058,714	64,283
3 months under 4 months	140	25,449,751	25,228,372	222,644	48	4,204,983	4,267,893	64,683
4 months under 5 months	117	9,234,323	8,989,178	245,487	46	3,217,032	3,298,135	81,467
5 months under 6 months	92	13,829,379	13,643,038	186,708	35	2,904,608	3,001,974	97,366
6 months under 7 months	134	18,309,235	18,012,417	297,012	37	4,505,976	4,607,387	101,410
7 months under 8 months	76	6,208,668	6,038,977	169,939	28	4,469,715	4,573,834	104,357
8 months under 9 months	81	9,229,277	9,099,841	129,744	40	2,232,912	2,357,943	125,219
9 months under 10 months	80	8,063,183	7,906,536	157,080	34	1,761,391	1,890,777	129,485
10 months under 11 months	74	6,076,071	5,964,431	114,300	24	2,095,002	2,210,081	115,298
11 months under 12 months	67	9,527,970	9,446,158	81,860	26	1,483,948	1,605,678	121,604
1 year or more [3]	32	4,910,354	4,884,197	26,154	11	6,575,437	6,757,470	182,033
Period not determinable	179	34,746,558	34,437,952	356,437	49	3,500,000	3,781,862	287,732
Long-term transactions								
Total:	3,301	159,523,188	155,315,554	4,201,665	1,260	46,696,423	51,842,906	5,284,154
Under 18 months [4]	396	34,860,291	34,138,946	726,689	200	14,606,551	15,732,183	1,125,309
18 months under 2 years	266	18,397,808	18,090,811	307,466	134	6,469,628	7,114,814	645,304
2 years under 3 years	387	24,221,983	23,731,525	449,589	216	8,331,055	9,306,583	975,366
3 years under 4 years	289	14,043,439	13,819,587	224,325	120	3,314,704	3,666,224	351,712
4 years under 5 years	205	7,660,965	7,569,603	90,769	128	2,761,859	3,159,351	399,372
5 years under 10 years	900	28,555,343	27,805,077	752,850	296	6,057,242	7,108,604	1,051,308
10 years under 15 years	230	5,920,758	5,774,896	145,850	33	658,909	706,341	47,432
15 years under 20 years	57	1,038,790	997,268	49,446	6	389,668	447,186	57,518
20 years or more	29	1,651,324	1,468,350	183,205	4	69,561	86,761	17,200
Period not determinable	541	23,172,487	21,919,493	1,271,477	123	4,037,246	4,514,858	613,635

[1] Bonds and other securities includes U.S. Government obligations, State and local government obligations and other notes and debentures.

[2] Transactions with no gain or loss are included with gain transactions.

[3] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[4] Includes some transactions where holding period was under 1 year and transactions not reclassified during editing.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 4D. Short- and Long-Term Real Estate Capital Asset Transactions, by Selected Asset Type and Length of Time Held, Tax Year 2009

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

Type of transaction, length of time held	Real estate [1]							
	Gain transactions [2]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	162	11,851,457	10,346,727	1,326,791	40	5,157,277	6,520,763	1,346,852
Under 1 month	23	769,428	698,234	71,090	2	258,712	270,220	11,509
1 month under 2 months	19	486,471	402,335	84,040	2	194,021	203,483	9,462
2 months under 3 months	9	282,458	247,556	34,903	1	106,310	150,318	44,007
3 months under 4 months	13	594,962	497,533	97,622	2	256,459	293,265	36,806
4 months under 5 months	12	1,131,378	998,302	133,305	* 1	* 26,891	* 48,149	* 21,257
5 months under 6 months	18	1,533,086	1,343,786	189,456	5	205,690	260,414	54,724
6 months under 7 months	9	1,117,594	1,003,866	113,733	* [3]	* 6,017	* 7,221	* 1,204
7 months under 8 months	10	907,887	798,638	109,249	1	186,522	247,703	61,181
8 months under 9 months	9	831,259	735,027	40,053	2	348,413	410,181	61,768
9 months under 10 months	8	786,268	722,811	63,457	3	620,082	1,036,156	416,074
10 months under 11 months	7	434,114	425,845	49,696	8	923,333	1,095,037	171,696
11 months under 12 months	6	625,747	390,681	37,918	1	254,295	288,665	34,371
1 year or more [4]	7	443,584	339,498	109,071	4	521,379	697,076	175,697
Period not determinable	13	1,907,221	1,742,616	193,198	8	1,249,152	1,512,874	247,095
Long-term transactions								
Total:	1,185	115,297,135	78,265,004	34,619,854	371	50,423,440	69,515,502	18,746,612
Under 18 months [5]	46	3,671,365	3,202,282	470,145	34	3,965,151	5,191,149	1,225,998
18 months under 2 years	35	2,717,898	2,251,547	525,281	28	4,469,112	5,534,161	1,065,018
2 years under 3 years	77	11,357,510	11,073,167	1,459,239	67	9,600,506	13,675,381	3,740,820
3 years under 4 years	85	8,804,731	7,676,619	1,574,962	58	8,100,132	11,599,129	3,475,593
4 years under 5 years	73	9,725,281	8,344,342	1,702,371	50	9,232,478	13,035,018	3,732,237
5 years under 10 years	215	22,580,147	16,412,953	5,866,571	58	5,921,866	7,833,760	1,913,852
10 years under 15 years	157	12,493,030	7,116,995	4,251,383	13	698,562	1,000,510	301,947
15 years under 20 years	90	6,858,727	2,921,185	3,761,817	10	447,909	587,025	149,797
20 years or more	247	18,384,506	7,223,079	8,862,770	11	256,036	397,416	141,379
Period not determinable	160	18,703,939	12,042,836	6,145,316	42	7,731,689	10,661,954	2,999,971

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

[1] Real estate includes residential rental property, depreciable business property, farmland and other land.

[2] Transactions with no gain or loss are included with gain transactions.

[3] Less than 500.

[4] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[5] Includes some transactions where holding period was under 1 year and transactions not reclassified during editing.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

Sales of Capital Assets Reported on Individual Tax Returns, 2008–2009

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Table 4E. Short- and Long-Term Other Securities Capital Asset Transactions, by Selected Asset Type and Length of Time Held, Tax Year 2009

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

Type of transaction, length of time held	Other asset types [1]							
	Gain transactions [2]				Loss transactions			
	Number of transactions	Sales price	Basis	Gain	Number of transactions	Sales price	Basis	Loss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Short-term transactions								
Total:	35,132	711,334,820	724,728,106	117,752,466	21,458	600,480,225	680,169,873	101,435,311
Under 1 month	7,539	114,687,197	183,568,807	7,758,097	3,698	44,227,920	50,387,664	6,337,278
1 month under 2 months	2,287	23,640,199	21,191,293	2,554,380	1,579	15,067,249	18,258,523	3,154,415
2 months under 3 months	1,721	14,131,135	12,889,365	1,280,619	1,335	10,326,217	12,721,915	2,397,030
3 months under 4 months	1,551	15,840,642	14,524,882	1,333,312	909	8,757,296	10,542,504	1,784,246
4 months under 5 months	1,338	15,869,804	14,425,708	1,457,663	748	5,303,633	6,632,091	1,344,096
5 months under 6 months	1,235	9,404,904	8,157,344	1,263,018	595	4,517,554	5,675,320	1,150,692
6 months under 7 months	1,161	15,527,084	14,399,262	1,137,277	578	4,233,536	5,227,145	993,771
7 months under 8 months	1,050	8,934,202	7,691,167	1,249,981	570	3,965,368	5,206,204	1,246,920
8 months under 9 months	799	5,637,414	4,800,331	832,330	557	2,472,574	3,537,803	1,065,501
9 months under 10 months	782	11,265,386	10,440,574	827,460	568	2,779,158	3,818,246	1,039,530
10 months under 11 months	606	5,017,890	4,437,967	690,109	610	3,933,410	5,130,132	1,198,104
11 months under 12 months	549	6,661,025	6,147,283	576,175	736	2,845,136	4,079,518	1,235,745
1 year or more [3]	282	34,645,755	33,168,061	1,503,082	275	12,507,783	13,869,713	1,309,837
Period not determinable	14,231	430,072,182	388,886,064	95,288,963	8,699	479,543,392	535,083,095	77,178,147
Long-term transactions								
Total:	17,595	286,567,374	212,776,397	165,550,618	29,753	249,035,189	350,018,663	167,387,373
Under 18 months [4]	1,643	24,165,169	22,032,216	2,127,233	4,724	25,631,314	36,082,369	10,425,842
18 months under 2 years	703	9,081,352	8,201,109	1,051,886	3,188	12,865,531	18,620,407	5,767,073
2 years under 3 years	1,048	11,955,920	9,831,865	1,915,719	4,500	15,632,144	24,271,309	8,675,826
3 years under 4 years	762	8,873,831	5,998,623	2,586,849	2,799	11,996,318	17,189,077	5,166,219
4 years under 5 years	529	6,317,799	4,140,943	1,873,724	1,482	6,964,286	10,183,524	3,211,365
5 years under 10 years	1,651	18,909,837	11,378,862	6,727,117	2,349	12,861,385	18,249,168	5,388,740
10 years under 15 years	453	5,751,544	2,706,403	2,723,329	542	2,626,455	3,981,313	1,367,679
15 years under 20 years	157	3,014,830	1,561,323	1,361,387	99	959,902	1,244,839	284,127
20 years or more	181	7,963,577	3,356,109	4,829,355	125	688,927	1,183,007	494,053
Period not determinable	10,470	190,533,516	143,568,943	140,354,017	9,946	158,808,927	219,013,649	126,606,450

[1] Other asset types includes all other asset categories not included in the above categories, including put and call options; futures contracts; all mutual funds; partnership, S corporation, and estate or trust interests; passthrough gains and losses; livestock; timber; involuntary conversions; depreciable business personal property; residences; unidentifiable assets; and capital gain distributions.

[2] Transactions with no gain or loss are included with gain transactions.

[3] Dates showed holding period to be 1 year or more and transactions not reclassified during editing.

[4] Includes some transactions where holding period was under 1 year and transactions not reclassified during editing.

NOTES: Detail may not add to totals because of rounding. Sales price minus basis does not always equal gain or loss because: (a) only the gain is reported for capital gain distributions from mutual funds and passthrough gains or losses, (b) part of the total gain or loss on certain depreciable assets is treated as ordinary income rather than capital gain or loss, (c) in certain cases where taxpayers reported futures contracts with a loss, the sales price and basis were often reported as negative amounts, and (d) some sales may have nondeductible losses or nontaxable gains such as wash sales, or sales of principal residences, and these transactions are not balanced.

Municipal Bonds, 2010

by Aaron Barnes

Since 2009, State and local governments have been able to issue three types of bonds to finance essential operations, facilities, infrastructure, and services for their constituents.¹ These three types are tax-exempt, tax credit, and direct payment bonds. Tax-exempt bonds provide bondholders (or investors) interest payments that are exempt from Federal taxation, and often State and local taxation. Tax credit bonds differ from tax-exempt bonds in that they are not explicitly interest-bearing obligations. In lieu of, or in addition to, receiving periodic interest payments from the bond issuer, a tax credit bondholder is generally allowed an income tax credit while the bond is outstanding.² Direct payment bonds provide issuers with a Federal subsidy equal to some percentage of the total interest payment made to bondholders. The interest received is subject to Federal taxation; however, the interest rate is generally greater than that of a tax-exempt bond, all things being equal.

Figure A provides an overview of the municipal bond market for 2010. State and local governments raised \$556.9 billion from tax-exempt, tax credit, and direct payment bonds. Tax-exempt bond proceeds totaled \$420.7 billion, or 75.5 percent, of all municipal bond proceeds during the year, while tax credit bond proceeds totaled almost \$1.1 billion and accounted for 0.2 percent. Some 24.3 percent of all municipal bond proceeds came from the recently introduced direct payment bonds and totaled more than \$135.1 billion.

This article presents information for the three types of municipal bond financing options available in Calendar Year 2010. The first section looks at several defining characteristics of tax-exempt bonds and provides an overview of the market by State. The next section covers the development of tax credit bond programs and presents tax credit bond data for 2010. The third section of this article discusses direct payment bonds programs and presents bond data for 2010.

Tax-exempt bond data presented here are based on the populations of Forms 8038, *Information Return*

Figure A

All Municipal Bonds: Total Tax-Exempt, Taxable Direct Payment, and Tax Credit Bonds, by Amount of Proceeds, 2010

[Money amounts are in millions of dollars]

Type of bond	Number	Amount of proceeds	Percentage of total amount
	(1)	(2)	(3)
Total [1]	29,315	556,890	100.0
Tax-exempt bonds	25,660	420,679	75.5
Taxable direct payment bonds [2]	3,456	135,127	24.3
Tax credit bonds [3]	199	1,084	0.2

[1] Includes combined data from all governmental, private activity bond, Build America Bonds, and specified tax credit and tax credit bond returns (Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations*; Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*; Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*; and Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*).

[2] Includes bonds reported on Form 8038-B and Form 8038-G with a specific reference to "Build America Bond direct payment" or "Recovery Zone Economic Development Bond" in either their issue name or other description. Includes specified tax credit bonds reported on Form 8038 and Form 8038-TC that indicate the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A). Issuers who elect to apply section 6431(f) are eligible to receive Federal direct payments and are classified as "taxable direct payment bonds" for purposes of this figure.

[3] Includes bonds reported on Form 8038, Form 8038-B, and Form 8038-TC with a specific reference to "qualified school construction" bonds, "qualified zone academy" bonds, "new clean renewable energy" bonds, "qualified energy conservation" bonds, or "Build America Bond tax credit" bonds in either their issue name or other description. Excludes bonds reported on Form 8038 and Form 8038-TC that indicate the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A).

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

for *Tax-Exempt Private Activity Bond Issues*, and Forms 8038-G, *Information Return for Tax-Exempt Governmental Obligations*, filed with the Internal Revenue Service (IRS) for bonds issued during 2010. Direct payment bond data are based on populations of Forms 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*, and Forms 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*, filed for specified tax credit bonds issued during the year.³ Data for issuers of direct payment bonds requesting credit payments are based on the population of Forms 8038-CP, *Return for Credit Payments to Issuers of Qualified Bonds*, for bonds with interest payments occurring in Calendar Year 2010. Tax credit bond data are based on the population of Forms 8038-TC filed for tax credit bonds issued during

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¹ The term "State" includes the District of Columbia, U.S. Possessions, and Federally recognized Indian Tribal governments.

² Issuers of certain qualified tax credit bonds, specifically new clean renewable energy bonds and qualified energy conservation bonds, pay bondholders an interest payment in addition to the tax credit the bondholder receives. For additional information, see "Frequently Asked Question on Qualified Tax Credit Bonds and Specified Tax Credit Bonds" at http://www.irs.gov/pub/irs-tege/tc_and_stcb_q-a_09-07-10_1.5.pdf.

³ Issuers of Build America Bonds and recovery zone economic development bonds were instructed to file Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*. The 2010 data contain a small number of Forms 8038-G, *Information Return for Tax-Exempt Governmental Obligations*, with a specific reference to "Build America Bond direct payment" or "Recovery Zone Economic Development Bond" in either their issue name or other description.

Calendar Year 2010.⁴ The vast majority of these returns were filed in 2010 and 2011.⁵

Tax-Exempt Bonds

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. Between Calendar Years 2009 and 2010, the total amount of tax-exempt bonds issued by State and local governments decreased 5.7 percent, from \$446.2 billion to \$420.7 billion.⁶ For 2010, governmental bonds accounted for \$293.6 billion (69.8 percent) of total tax-exempt bond proceeds, a decrease of 13.8 percent from \$340.7 billion issued in 2009. Private activity bonds accounted for the remaining \$127.1 billion (30.2 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.^{7,8} This tax exemption lowers the borrowing cost incurred by tax-exempt bond issuers, since bondholders are generally willing to accept an interest rate lower than that earned on comparable taxable bonds.^{9,10}

Both governmental and private activity bonds are obligations issued by, or on behalf of, State and local governmental units; use of the proceeds differentiates

the two. Governmental bond proceeds finance essential government operations, facilities, and services 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 to finance the project of a private user. Since private activity bond proceeds are used by one or more private entities, the debt service is also paid or secured by one or more private entities.¹¹ 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.^{12,13}

Tax-Exempt 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. Of the \$293.6 billion in tax-exempt governmental bonds issued, long-term bonds accounted for \$217.3 billion, more than 74 percent of all governmental bond proceeds in 2010. Long-term bonds are generally used to finance construction or other capital improvement projects.

The remaining \$76.4 billion of governmental bonds were issued for short-term projects. Most short-term

⁴ Prior to June 2010, issuers of tax credit bonds were instructed to file Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*. The 2010 data include a small number of tax credit bonds reported on Form 8038 that specifically reference “qualified school construction” bonds, “clean renewable energy” bonds, “Midwestern tax credit” bonds, or “qualified zone academy” bonds. For tax credit bonds issued after March 2010, issuers were required to file the new Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*.

⁵ Bond issuers were required to file these information returns by the 15th day of the second calendar month after the close of the calendar quarter in which the bond was issued. For Calendar Year 2009 data, see Barnes, Aaron, “Municipal Bonds, 2009,” *Statistics of Income Bulletin*, Fall 2011, Volume 31, Number 2.

⁷ 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.

⁸ The extent of exclusion of interest income can vary with taxpayer characteristics. For example, banks and insurance companies may be limited as to how much tax-exempt interest they can exclude.

⁹ The interest exclusion for tax-exempt bonds is not allowed for arbitrage bonds or unregistered bonds. An arbitrage bond is one in which any portion of the proceeds is used to purchase higher-yielding investments or to replace proceeds that have been used to purchase higher-yielding investments. Certain rules allow for arbitrage earnings with respect to tax-exempt bonds within a specified period, as long as these earnings are rebated to the Department of the Treasury.

¹⁰ 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 in its records,” according to the Municipal Securities Rulemaking Board’s *Glossary of Municipal Securities Terms*, <http://www.msrb.org/msrb/glossary/>. See also IRC section 149(a) for additional information.

¹¹ 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 that 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). 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 proceeds used to (directly or indirectly) finance loans to nongovernmental persons exceeds the lesser of \$5 million or 5 percent of the proceeds.

¹² 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.

¹³ 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.

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governmental bonds are issued as tax anticipation notes (TANs), revenue anticipation 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 start-up 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. BANs, TANs, and RANs accounted for almost \$73.1 billion, nearly 24.9 percent of the total governmental bond proceeds for 2010. Short-term private activity bond proceeds totaled more than \$3.4 billion, only 2.7 percent of the total private activity bond proceeds for 2010.

Long-Term, Tax-Exempt Bond Volume, by Type of Issue

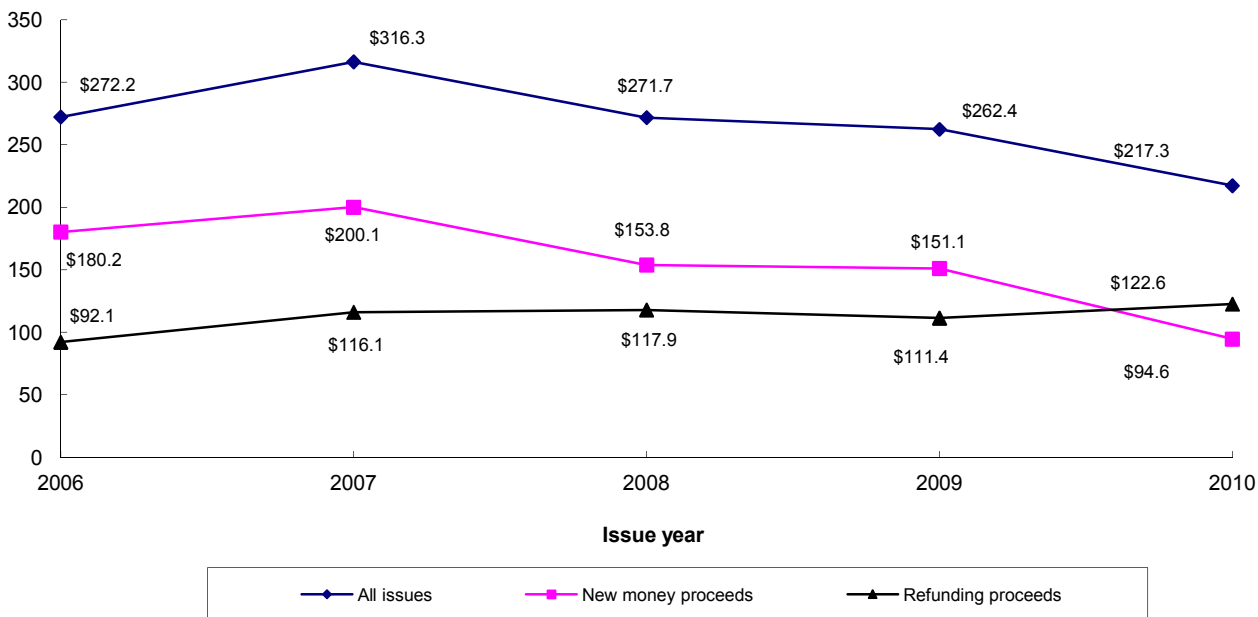
Total bond issuance is composed of both nonrefunding (“new money”) issues and refunding issues. Proceeds from new money issues finance new capital projects, while proceeds from refunding issues retire outstanding debt of prior bond issues. A bond issue can include both new and refunding proceeds.

Figures B and C show total long-term issuance, as well as its distribution between new money and refunding proceeds for both governmental and tax-exempt private activity bonds issued between 2006 and 2010. In 2010, some 43.5 percent of all long-term governmental bond proceeds were new money issues (Figure B). Proceeds from new money government bonds decreased

Figure B

Volume of Long-Term, Tax-Exempt Governmental Bonds Issued, by Type and Issue Year, 2006-2010

Billions of dollars



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

Figure C

Volume of Long-Term, Tax-Exempt Private Activity Bonds Issued, by Type and Issue Year, 2006–2010



37.4 percent, from \$151.1 billion in 2009 to \$94.6 billion in 2010, a 44.7-percent decline from the preceding 4-year average of \$171.3 billion. Refunding governmental bond proceeds increased 10.1 percent, from \$111.4 billion in 2009 to \$122.6 billion in 2010, an approximate 12.1-percent increase from the preceding 4-year average of \$109.4 billion.¹⁴ This is the first time since 1993 that States issued more long-term governmental bond refunding proceeds than new money proceeds. A low interest rate environment, combined with the availability of direct payment bonds, are possible reasons for issuing more long-term governmental bond proceeds for refunding issues than for new money issues.

For 2010, some 51.5 percent of all long-term private activity bond proceeds were new money issues (Figure C). New money private activity bond proceeds increased 21.9 percent from \$52.2 billion in 2009 to \$63.3 billion in 2010; however, new money proceeds were 0.5 percent lower than the preceding 4-year average of \$63.7 billion. Refunding private activity bond proceeds increased 19.2

percent from \$50.6 billion in 2009 to \$60.3 billion in 2010, some 6.6 percent higher than the preceding 4-year average of \$56.6 billion.

Long-Term, Tax-Exempt Bond Volume, by Selected Purpose

Figures D and E present the composition of long-term, tax-exempt bond proceeds for both governmental and private activity bond issues, by selected purpose and type of issue. During 2010, more than half (55.1 percent) of the total \$217.3 billion in long-term, governmental bond proceeds financed education, utilities, and transportation projects. Nearly one-third (33.2 percent) of these proceeds were used for “other bond purposes.” Proceeds used for other bond purposes may contain issues that were not separately allocated by the issuer, or issues not applicable to any of the purposes listed on Form 8038-G. Issuers of governmental bonds for education, utilities, and other purposes used more proceeds to refund prior issues than to finance new capital projects. Conversely,

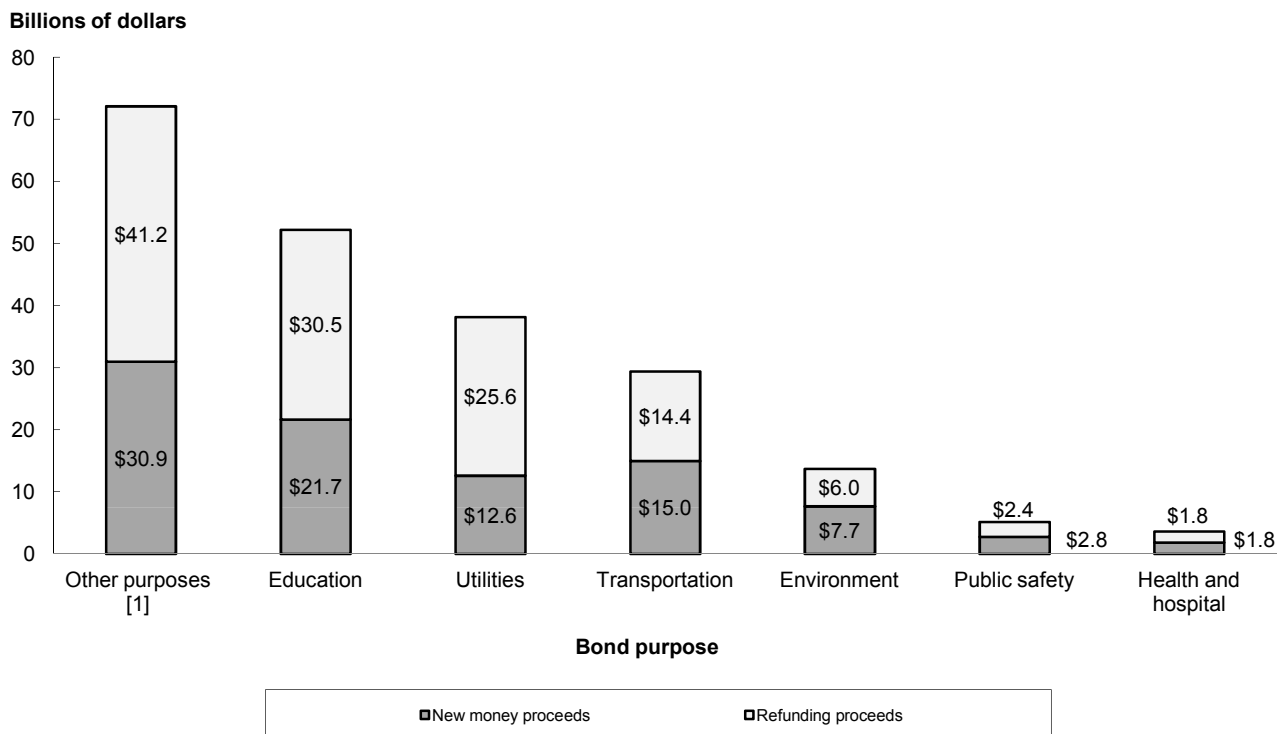
¹⁴ Additional tax-exempt bond data, including data for prior years, can be found on SOI’s Tax Stats Web pages: <http://www.irs.gov/taxstats>. Click on “Tax-Exempt Bonds.”

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Figure D

Long-Term, Tax-Exempt Governmental Bonds, by Selected Bond Purpose and Type of Issue, 2010



[1] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on Form 8038-G. It does not include specific purposes, such as housing and bond and tax/revenue anticipation notes, that are not shown separately in the figure. See Table 2.

issuers of governmental bonds for transportation, environment, and public safety used more proceeds to finance new capital projects than to refund prior bond issues (Figure D). Only governmental bonds with proceeds used for health and hospital projects spent an equal amount to finance new capital projects and refund prior bond issues.

Qualified section 501(c)(3) bonds include total qualified hospital bonds and qualified nonhospital bonds issued to benefit entities exempt from income tax under IRC section 501(c)(3). Combined, these bonds accounted for 49.3 percent of the \$123.6 billion of long-term, private activity bond proceeds for 2010 (Figure E). For almost all private activity bond purposes shown in Figure E, more proceeds were spent financing new capital projects than refunding prior bond issues, with the exceptions of qualified hospital and water, sewage, and solid waste disposal.

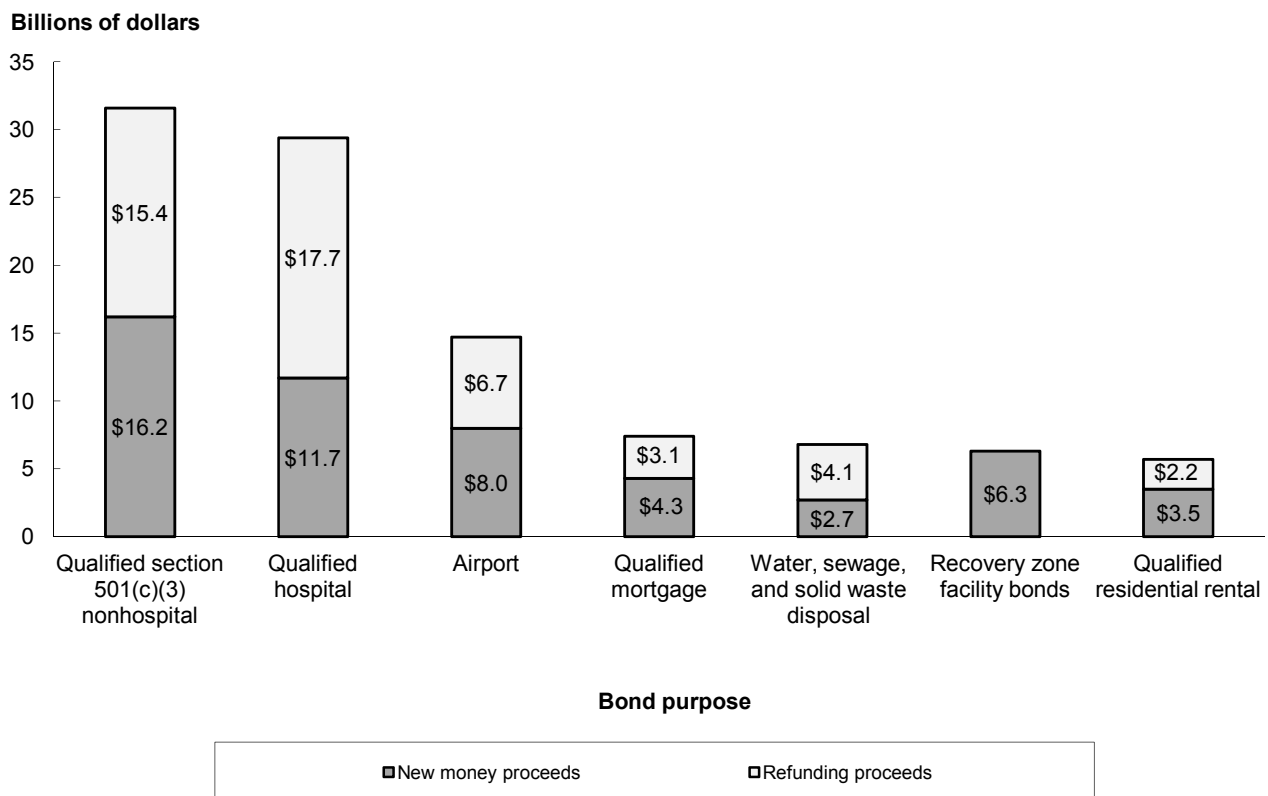
The American Recovery and Reinvestment Act of 2009 (ARRA) added IRC section 1400U-3, which authorized the issuance of tax-exempt recovery zone exempt facility bonds. These are private activity bonds issued by State and local governments to finance qualified projects located in "recovery zones." A recovery zone is an area that has significant poverty, unemployment, home foreclosure rates, general distress, or distress from the closure of a military installation. It also includes those areas designated as an empowerment zone or renewal community.¹⁵ Qualified projects include any trade or business except those used for residential real estate, and any trade or business under IRC 144(c)(6)(B).¹⁶ For 2010, there were 427 recovery zone exempt facility bonds issued for a total of \$6.3 billion in long-term, new money proceeds.

¹⁵ See Internal Revenue Notice 2009-50 for additional information.

¹⁶ IRC section 144(c)(6)(b) requires that proceeds may not be used for any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store whose principal business is the sale of alcoholic beverages for consumption on the premises.

Figure E

Long-Term, Tax-Exempt Private Activity Bonds, by Selected Bond Purpose and Type of Issue, 2010



Overview of Tax-Exempt Bond Issues, by State

Figure F presents States with the largest absolute decreases and increases in the amount of new money long-term, tax-exempt governmental bonds. Total proceeds for this type of bond decreased \$56.4 billion (37.3 percent) from 2009 to 2010, falling to \$94.6 billion. Issuances in California and New York fell 48 percent and 59.6 percent, respectively, and these States experienced the largest absolute decreases in these bond proceeds. Texas experienced a decrease (40.5 percent) in this type of governmental bond proceeds during the year. In all, from 2009 to 2010, new money long-term governmental bond proceeds decreased in 40 States by nearly \$60.2 billion.

Florida experienced the largest absolute increase (16.8 percent) in new money long-term governmental bond proceeds from 2009 to 2010. Other States with significant increases included U.S. Possessions (up 60

percent), Oklahoma (up 18.9 percent), and Louisiana (up 24.3 percent). In all, from 2009 to 2010, new money long-term governmental bond proceeds increased in 12 States by slightly more than \$3.7 billion.

Figure G presents the amount of governmental bond proceeds for the top 15 States, in terms of total dollar volume of new money long-term, tax-exempt bonds issued for 2010. Combined, these States accounted for 71.9 percent of the total \$94.6 billion of new money long-term governmental bond proceeds for the year. About \$42.7 billion (45.1 percent) of the total proceeds were issued by authorities in the following five States: California (15.3 percent), Texas (9.1 percent), Florida (8.9 percent), New York (7 percent), and Pennsylvania (4.8 percent). Together, according to 2010 Census estimates, these five States accounted for almost 34.6 percent of the total U.S. population.¹⁷

¹⁷ The resident population estimates for July 1, 2010, were produced by the U.S. Bureau of the Census.

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Figure F

States with Largest Decreases and Increases in Amount of New Money Long-Term, Tax-Exempt Governmental Bonds, 2009–2010

[Money amounts are in millions of dollars]

State of issue	2009 amount	2010 amount	Change in amount	Percentage change in amount
	(1)	(2)	(3)	(4)
All States	151,050	94,644	-56,406	-37.3
States with decreases:				
California	27,872	14,502	-13,370	-48.0
New York	16,364	6,612	-9,752	-59.6
Texas	14,512	8,630	-5,882	-40.5
Connecticut	3,453	1,160	-2,293	-66.4
Virginia	3,740	1,599	-2,141	-57.2
States with increases:				
Florida	7,224	8,436	1,212	16.8
U.S. Possessions [1]	1,966	3,145	1,179	60.0
Oklahoma	1,605	1,909	304	18.9
Louisiana	1,239	1,540	301	24.3
New Hampshire	177	380	203	114.7

[1] U.S. Possessions include Guam, Puerto Rico, and the U.S. Virgin Islands.

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

Figure G

New Money Long-Term, Tax-Exempt Governmental Bonds, by Selected Bond Purpose, for Top 15 States, Ranked by Total Tax-Exempt Governmental Bond Issuance, 2010

[Money amounts are in millions of dollars]

State of issue	Total	Selected bond purpose									
		Other purposes [1]		Education		Transportation		Utilities		Environment	
	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)
All States	94,644	30,939	32.7	21,682	22.9	14,962	15.8	12,596	13.3	7,679	8.1
California	14,502	1,660	11.4	4,010	27.7	2,726	18.8	2,897	20.0	1,408	9.7
Texas	8,630	2,211	25.6	3,243	37.6	570	6.6	2,194	25.4	194	2.2
Florida	8,436	4,138	49.1	897	10.6	1,711	20.3	1,148	13.6	447	5.3
New York	6,612	3,218	48.7	1,071	16.2	1,645	24.9	119	1.8	97	1.5
Pennsylvania	4,529	847	18.7	1,356	29.9	633	14.0	498	11.0	829	18.3
Illinois	3,709	2,241	60.4	789	21.3	511	13.8	35	0.9	d	d
Arizona	3,227	1,703	52.8	342	10.6	693	21.5	d	d	405	12.6
U.S. Possessions [2]	3,145	2,449	77.9	d	d	0	0	d	d	0	0
Washington	2,655	1,171	44.1	393	14.8	66	2.5	333	12.5	461	17.4
New Jersey	2,336	578	24.7	529	22.6	673	28.8	91	3.9	355	15.2
North Carolina	2,295	1,053	45.9	595	25.9	168	7.3	114	5.0	32	1.4
Minnesota	2,166	1,096	50.6	281	13.0	355	16.4	244	11.3	86	4.0
Georgia	2,091	456	21.8	322	15.4	d	d	958	45.8	216	10.3
Oklahoma	1,909	163	8.5	976	51.1	250	13.1	397	20.8	d	d
Iowa	1,809	568	31.4	719	39.7	70	3.9	84	4.6	129	7.1

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] U.S. Possessions include Guam, Puerto Rico, and the U.S. Virgin Islands.

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

An examination of issuance by State reveals some differences in the allocation of proceeds by bond purpose. Overall, for 2010, some 22.9 percent of the \$94.6 billion of new money long-term governmental bonds was issued for educational purposes. However, of the total amount for these bonds issued in Oklahoma, 51.1 percent was issued for education. In contrast, 10.6 percent of long-term governmental bonds issued in both Florida and Arizona was for this purpose.

Transportation projects accounted for 15.8 percent of States' total new money long-term proceeds. In New Jersey, however, 28.8 percent of the total amount of new money long-term governmental bonds was for transportation, while in Iowa, only 3.9 percent was allocated for the same purpose. Transportation bonds accounted for only 2.5 percent of Washington's total amount of new money long-term bond issues.

Utility bond proceeds accounted for 13.3 percent of all new money long-term governmental bonds in 2010. Georgia and Texas each spent a large portion of their total allocation on utility projects, 45.8 percent and 25.4 percent, respectively. In contrast, New York allocated 1.8 percent of its total amount of new money long-term bonds to utility projects.

Figure H presents States with the largest absolute decreases and increases in the amount of new money long-term, tax-exempt private activity bonds from 2009 to 2010. Total new money long-term, tax-exempt private activity bond proceeds increased by approximately \$11.1 billion (21.3 percent). New York experienced the largest absolute decrease (34.2 percent) in these bond proceeds in 2010. States with significant relative decreases in new money long-term, tax-exempt private activity bonds included California (down 17.7 percent), Illinois (down 14.6 percent), and New Mexico (down 79.9 percent). For the 17 States that reduced their issuance of these types of bonds in 2010, the overall reduction in proceeds totaled \$6.1 billion.

Louisiana experienced the largest relative increase (277.6 percent) in new money long-term, tax-exempt private activity bond proceeds, which was due to increases in Qualified Gulf Opportunity Zone exempt facility bonds and Gulf Opportunity Zone mortgage bonds.¹⁸ From 2009 to 2010, other States with significant increases in these types of bond issues included Texas (up 90.7 percent) and Florida (up 97 percent). In all, new money long-term, tax-exempt private activity bond proceeds increased in 35 States by just less than \$17.2 billion.

Figure H

States with Largest Decreases and Increases in Amount of New Money Long-Term, Tax-Exempt Private Activity Bonds, 2009–2010

[Money amounts are in millions of dollars]

State of issue	2009 amount	2010 amount	Change in amount	Percentage change in amount
	(1)	(2)	(3)	(4)
All States	52,216	63,330	11,114	21.3
States with decreases:				
New York	7,582	4,990	-2,592	-34.2
California	7,389	6,082	-1,307	-17.7
Illinois	3,007	2,567	-440	-14.6
Indiana	1,162	774	-388	-33.4
New Mexico	462	93	-369	-79.9
States with increases:				
Louisiana	941	3,553	2,612	277.6
Texas	2,620	4,997	2,377	90.7
Florida	2,102	4,141	2,039	97.0
Mississippi	517	1,605	1,088	210.4
Georgia	1,014	1,852	838	82.6

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

¹⁸ 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 of 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.

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Figure I

New Money Long-Term, Tax-Exempt Private Activity Bond Proceeds, by Selected Bond Purpose, for Top 15 States, Ranked by Total Tax-Exempt Private Activity Bond Issuance, 2010

[Money amounts are in millions of dollars]

State of issue	Total proceeds	Selected bond purpose									
		Qualified section 501(c)(3) nonhospital		Qualified hospital		Airports, docks, and wharves [1]		Recovery zone exempt facility bonds		Qualified mortgage	
	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)
All States	63,330	16,202	25.6	11,710	18.5	8,794	13.9	6,267	9.9	4,295	6.8
California	6,082	1,526	25.1	349	5.7	2,568	42.2	559	9.2	d	d
Texas	4,997	1,112	22.3	790	15.8	783	15.7	d	d	0	0
New York	4,990	1,649	33.0	504	10.1	d	d	470	9.4	209	4.2
Florida	4,141	955	23.1	460	11.1	983	23.7	194	4.7	439	10.6
Louisiana	3,553	325	9.1	d	d	d	d	17	0.5	d	d
Pennsylvania	2,733	913	33.4	864	31.6	d	d	84	3.1	d	d
Illinois	2,567	1,022	39.8	531	20.7	111	4.3	459	17.9	0	0
Massachusetts	2,442	1,085	44.4	520	21.3	d	d	269	11.0	d	d
Ohio	2,276	456	20.0	829	36.4	d	d	488	21.4	d	d
Georgia	1,852	327	17.7	450	24.3	d	d	239	12.9	d	d
New Jersey	1,685	766	45.5	393	23.3	0	0	110	6.5	0	0
Virginia	1,618	386	23.9	378	23.4	0	0	133	8.2	d	d
Mississippi	1,605	20	1.2	d	d	0	0	d	d	d	d
Minnesota	1,240	553	44.6	103	8.3	d	d	134	10.8	d	d
North Carolina	1,226	d	d	531	43.3	0	0.0	384	31.3	0	0

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, certain bond purposes were combined. The data here will differ slightly from the data in Tables 7 and 9.

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

Figure I shows the amount of bond proceeds for the top 15 States, in terms of total dollar volume of new money long-term, tax-exempt private activity bonds issued for 2010. Combined, these States accounted for 67.9 percent of the total \$63.3 billion of new money long-term, tax-exempt private activity bond proceeds for the year. Almost \$23.8 billion (37.5 percent) of the total proceeds was issued by authorities in the following five States: California (9.6 percent), Texas (7.9 percent), New York (7.9 percent), Florida (6.5 percent), and Louisiana (5.6 percent). Together, according to 2010 Census estimates, these five States accounted for almost 34.1 percent of the total U.S. population.

Similar to governmental bond issuance, there were differences among the States in the composition of total new money long-term, tax-exempt private activity bond issuance, by purpose. Examining the bond allocations by purpose for 2010 overall, 25.6 percent of this type of proceed was for qualified IRC section 501(c)(3) nonhos-

pital organizations; another 18.5 percent was issued for qualified hospital bonds.

Of the total amount of new money long-term, tax-exempt private activity bond proceeds raised in New Jersey, 45.5 percent was issued for IRC section 501(c)(3) nonhospital organizations, compared to 9.1 percent in Louisiana and 1.2 percent in Mississippi. Qualified hospital bonds accounted for 43.3 percent of North Carolina's new money long-term, tax-exempt private activity bond proceeds, compared to 10.1 percent and 8.3 percent for New York and Minnesota, respectively. Of the top 15 States, California had the smallest total issuance for qualified hospitals, with only 5.7 percent of its total proceeds allocated for this purpose.

Bonds issued for airports, docks, and wharves accounted for 13.9 percent of all new money long-term, tax-exempt private activity bond proceeds in 2010, totaling \$8.8 billion. California committed 42.2 percent of its total new money long-term private activity bond pro-

ceeds toward airports, docks, and wharves, while Florida allocated 23.7 percent for this purpose.

Together, States allocated 9.9 percent of the \$63.3 billion of new money long-term, tax-exempt private activity bonds in 2010 for recovery zone exempt facility bonds, which allow State and local governments to issue tax-exempt bonds for projects located in areas designated as “recovery zone property.”¹⁹ As previously mentioned, recovery zones are areas having significant poverty, unemployment, home foreclosure rates, general distress, or distress from the closure of a military installation, or those areas designated as an empowerment zone or renewal community. North Carolina and Ohio directed a much larger share of their total new money long-term proceeds to this purpose, 31.3 percent and 21.4 percent, respectively. In contrast, Louisiana directed only 0.5 percent of its new money long-term bond proceeds to recovery zone exempt facility bonds.

Tax Credit Bonds

Tax credit bonds differ from tax-exempt bonds in that they are not explicitly interest-bearing obligations. In lieu of or in addition to receiving periodic interest payments from the issuer, a bondholder is generally allowed an income tax credit while the bond is outstanding. The amount of the credit is determined by multiplying the bond’s subsidy rate times the credit rate and 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 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.^{20,21} Issuers

of tax credit bonds are required to file Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*. ARRA included several provisions that affected tax credit bonds. Most notably, the Act authorized the issuance of qualified school construction bonds, the proceeds of which finance the construction, rehabilitation, or repair of a public school facility or the purchase of land on which a public school facility shall be built.²² ARRA also created tax credit Build America Bonds, which could be issued for any purpose traditionally funded with tax-exempt governmental bonds and subject to the same restrictions that apply to tax-exempt governmental bonds under IRC section 103. Tax credit Build America Bonds are interest-bearing obligations, which differentiates them from traditional tax credit bonds that provide bondholders a tax credit in lieu of any interest payment. ARRA also amended various IRC sections to modify volume cap provisions for several types of existing tax credit bonds.

The Hiring Incentives to Restore Employment Act of 2010 (HIRE) enacted on March 18, 2010, extended direct payment provisions to certain issuers of qualified tax credit bonds under IRC section 6431(f).²³ Once an issuer elected to apply section 6431(f), the qualified tax credit bond became a “specified tax credit bond,” which is a direct payment bond. In lieu of issuing bonds with a tax credit to the bondholder, issuers of new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, and qualified school construction bonds could elect to receive a Federal direct payment subsidy equal to a certain percentage of their borrowing costs. Specifically, issuers of qualified school construction bonds and qualified zone academy bonds could receive the lesser of 100 percent (70 percent for new clean renewable energy bonds and qualified energy conservation bonds) of their interest payment or the amount of interest that would have been paid if the interest rate was determined at the tax credit bond rate. Once an issuer elects to apply for the direct payment subsidy under IRC section 6431(f), it is irrevocable, and the qualified tax credit bond is regarded as a specified tax credit bond. Data on specified tax credit bonds are presented in the discussion of direct payment bonds in the next section of this article.

¹⁹ Recovery zone exempt facility bonds were created under ARRA, IRC section 1400U-3. Recovery zone exempt facility bonds are subject to volume cap restrictions and had to be issued before January 1, 2011.

²⁰ 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.

²¹ 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 offer these issues at a discount or pay taxable interest in addition to the tax credit received by the lender.

²² See Internal Revenue Notice 2010-17 for current information on qualified school construction bonds.

²³ IRC section 54(A)(d)(1) states that the term “qualified tax credit bond” means—(a) a qualified forestry conservation bond, (b) a new clean renewable energy bond, (c) a qualified energy conservation bond, (d) a qualified zone academy bond, or (e) a qualified school construction bond.

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Figure J

Tax Credit Bonds, by Issue Type, 2010

[Money amounts are in millions of dollars]

Type of bond	Tax credit bonds [2]	
	Number	Amount
Total [1]	199	1,084
Qualified school construction bonds	134	879
Qualified zone academy bonds	43	163
All other tax credit bonds, combined [3]	22	42

[1] Includes bonds reported on Form 8038, Form 8038-B, and Form 8038-TC with a specific reference to "qualified school construction" bonds, "qualified zone academy" bonds, "new clean renewable energy" bonds, "qualified energy conservation" bonds, or "Build America Bond tax credit" bonds in either their issue name or other description. Excludes bonds reported on Form 8038 and Form 8038-TC that indicate the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A).

[2] Includes tax credit bonds reported on Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*, Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*, and Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*, with a reference to "new clean renewable energy" bond, "qualified energy conservation" bond, "qualified zone academy" bond, "qualified school construction" bond, or "Build America Bond tax credit" bonds in the issue name or the description field for other issue type.

[3] For purposes of this figure, this category includes tax credit bonds issued for new clean renewable energy bonds, qualified energy conservation bonds, and Build America Bond tax credits in order to avoid disclosure of information about specific bonds.

There were nearly \$1.1 billion in tax credit bond proceeds in 2010, representing a 70.9-percent decrease from the \$3.7 billion issued in 2009 (Figure J). Qualified school construction bond proceeds totaled \$879 million, equaling roughly 81.1 percent of the entire tax credit bond market. Qualified zone academy bonds accounted for 15 percent of all tax credit bonds issued in 2010, with proceeds totaling \$163 million. All other tax credit bonds combined, which include new clean renewable energy bonds, qualified energy conservation bonds, and tax credit "Build America Bond," accounted for another \$42 million in total tax credit bond proceeds in 2010.

The top five States with the highest dollar issuance of tax credit bonds were Texas, Indiana, Minnesota, California, and New York (Figure K). Combined, these States issued \$551 million (50.8 percent) of all tax credit bonds. Texas issued the largest amount of tax credit bonds, accounting for \$211 million (19.5 percent) of the total. Indiana and Minnesota had similar amounts of tax credit bond issuance, with \$98 million (9 percent) and \$95 million (8.8 percent), respectively.

Direct Payment Bonds

In addition to the tax credit bonds discussed in the previous section, ARRA authorized direct payment bond issuance through the Build America Bonds (BAB) and the Recovery Zone Economic Development Bond (RZED) Programs.²⁴ ARRA allows issuers of these bonds to elect (in lieu of issuing tax-exempt bonds) to receive a direct refundable credit payment from the Federal government equal to a percentage of the interest payments made. Issuers of Build America Bonds receive a credit payment equal to 35 percent of interest payable, and issuers of recovery zone economic development bonds receive a credit payment equal to 45 percent of interest payable. As discussed previously, HIRE extended the direct pay provision to certain issuers of qualified tax credit bonds. In lieu of issuing bonds with a tax credit to the bondholder, issuers of specified tax credit bonds may elect to receive a Federal direct payment on an interest payment date equal to a certain percentage of the interest paid.²⁵ Specified tax credit bondholders receive taxable interest payments from the issuer instead of a tax credit.

Figure K

Tax Credit Bonds, for All States and Top Five States, 2010

[Money amounts are in millions of dollars]

State of issue	Total tax credit bonds [1]			
	Number	Amount	Percentage of total amount	Rank
	(1)	(2)	(3)	(4)
All States	199	1,084	100.0	N/A
Top five States, total	69	551	50.8	N/A
Texas	28	211	19.5	1
Indiana	10	98	9.0	2
Minnesota	17	95	8.8	3
California	8	76	7.0	4
New York	6	71	6.5	5

N/A—Not applicable. Rank applies only to individual States.

[1] Combines tax credit bonds reported on Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*. Data also combines tax credit bonds reported on Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*, and Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*, with a reference to "new clean renewable energy" bond, "qualified energy conservation" bond, "qualified zone academy" bond, "qualified school construction" bond, or "Build America Bond tax credit" bonds in the issue name or the description field for other issue type.

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

²⁴ For additional information regarding ARRA provisions affecting tax credit bonds, see Barnes, Aaron, "Tax-Exempt Bonds, 2009," *Statistics of Income Bulletin*, Fall 2011, Volume 31, Number 2.

²⁵ Internal Revenue Notice 2010-35 states, "Section 301 of the Hiring Incentives to Restore Employment Act, Pub. L. No. 111-147, 124 Stat. 71 (2010) (the "HIRE Act") added subsection (f) to section 6431 of the Code, which authorizes issuers to irrevocably elect to receive Federal direct payments of allowances of refundable tax credits to subsidize a prescribed portion of their borrowing costs instead of the Federal tax credits that otherwise would be allowed to holders of certain qualified tax credit bonds under section 54A. For more information regarding the HIRE Act see Internal Revenue Notice 2010-35.

For Calendar Year 2010, issuers of BABs and RZEDs were required to file Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*, and issuers of specified tax credit bonds were required to file Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*. A direct payment bond issuer was required to attach a debt service schedule with the following information: type of interest rate (variable or fixed), frequency of interest payments, total principal outstanding on each interest payment date, credit payment expected from the IRS, and earliest call date of the bond.

Figure L shows direct payment bond issuance allowed under ARRA and HIRE for 2010. A total of 3,456 direct payment bonds raised more than \$135.1 billion in proceeds, more than double the amount of direct payment bond proceeds for 2009 (\$65.3 billion). Direct payment bonds allowed under ARRA raised more than \$126.2 billion and accounted for 93.4 percent of all direct payment

bonds issued in 2010. For 2010, the majority (88.9 percent) of direct payment bonds were BABs; another 4.5 percent was issued as recovery zone economic development bonds.

Figure L also shows the total specified tax credit bond issuance allowed under HIRE. In total, 870 specified tax credit bonds raised nearly \$8.9 billion in bond proceeds and made up 6.6 percent of all direct payment bonds issued in 2010. Qualified school construction bonds made up 5.8 percent of total direct payment bond proceeds, with slightly more than \$7.8 billion issued in 2010. Qualified zone academy bonds, qualified energy conservation bonds, and new clean renewable energy bonds accounted for \$332 million, \$379 million, and \$371 million in proceeds, respectively. This suggests that issuers preferred to issue specified tax credit bonds over qualified tax credit bonds. Of the \$10 billion in tax credit bonds and specified tax credit bonds issued in 2010, slightly less than \$8.9 billion (over 89.1 percent) were specified tax credit bonds.

Figure L

Taxable Direct Payment Bonds Allowed Under the American Recovery and Reinvestment Act (ARRA) and Specified Tax Credit Bonds Allowed Under the Hiring Incentives To Restore Employment Act (HIRE), by Bond Type, 2010

[Money amounts are in millions of dollars]

Type of bond	Number	Amount	Percentage of total amount
	(1)	(2)	(3)
Total, taxable direct payment bonds [1]	3,456	135,127	100.0
Total, direct payment bonds allowed under the American Recovery and Reinvestment Act (ARRA) [2]	2,586	126,230	93.4
Build America Bond direct payment	2,037	120,098	88.9
Recovery zone economic development bond direct payment	549	6,131	4.5
Total, specified tax credit bonds allowed under the Hiring Incentives To Restore Employment Act (HIRE) [3]	870	8,897	6.6
Qualified school construction bonds	699	7,815	5.8
Qualified zone academy bonds	106	332	0.2
Qualified energy conservation bonds	48	379	0.3
New clean renewable energy bonds	17	371	0.3

[1] Includes bonds reported on Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*, as well as bonds reported on Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations*, with a specific reference to "Build America Bond direct payment" or "Recovery Zone Economic Development Bond" in either their issue name or other description. Also includes bonds reported on Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*, and Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*, that indicate the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A). Issuers who elect to apply section 6431(f) are eligible to receive Federal direct payments and are classified as "taxable direct payment bonds" for purposes of this figure. Data exclude returns specifically referencing "Build America Bond tax credit" in either their issue name or other description.

[2] Includes bonds reported on Form 8038-B, as well as bonds reported on Form 8038-G with a specific reference to "Build America Bond direct payment" or "Recovery Zone Economic Development Bond" in either their issue name or other description.

[3] Includes bonds reported on Form 8038 and Form 8038-TC that indicate the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A).

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

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Figure M shows direct payment bonds allowed under ARRA, by selected purpose, for 2010. Education bonds constituted 24.5 percent of total direct payment proceeds with \$30.9 billion, followed by transportation bonds, which accounted for 23.3 percent of total proceeds, or \$29.4 billion. Other significant purposes included utilities (19.9 percent) and environment (6.4 percent), with \$25.1 billion and \$8 billion in proceeds, respectively.

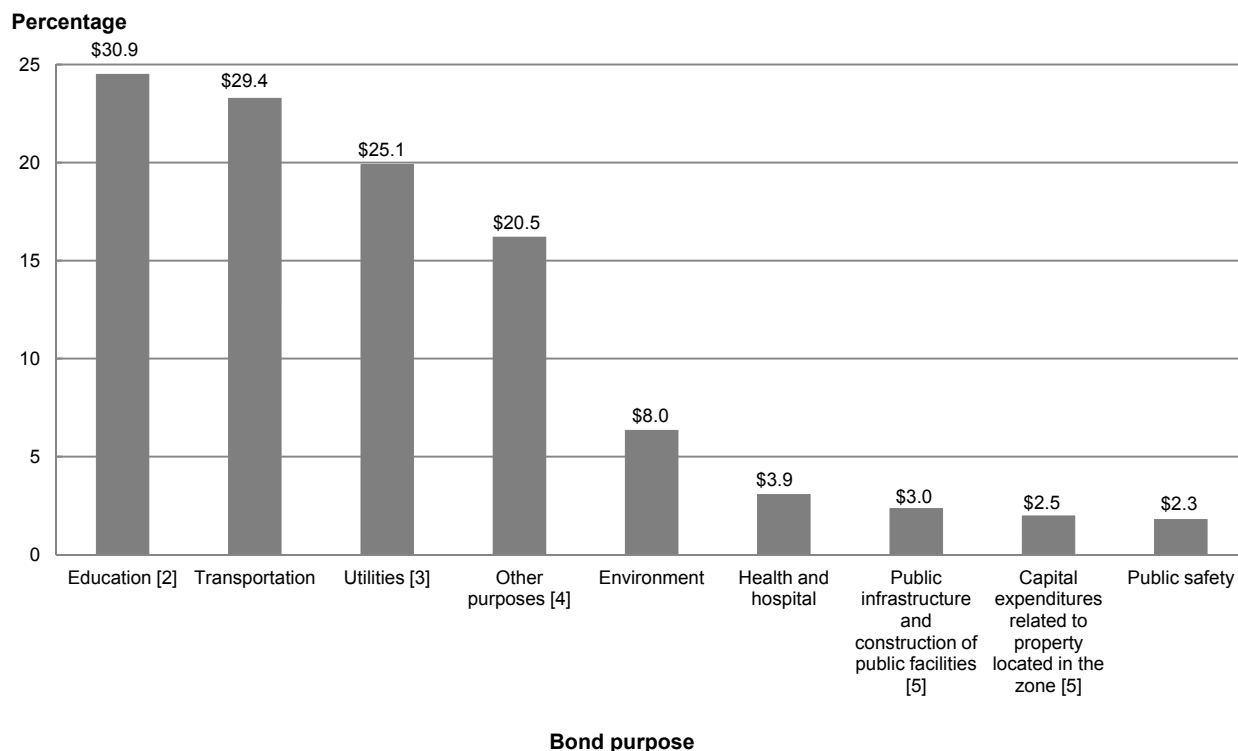
As shown in Figure N, 15 States accounted for nearly \$96.7 billion (76.6 percent) of total Build America Bond and recovery zone economic development bond issuance.

The 2010 Census estimate for these 15 States, combined, was 62.9 percent of the U.S. population. California had \$23.7 billion in bond issuance, which made it the single largest issuer of direct-payment bonds allowable under ARRA. Nearly 18.8 percent of all direct payment bonds were issued in California, while its population represents a little more than 12.1 percent of the U.S. population. New York issued 58 direct payment bonds totaling slightly less than \$15.1 billion in proceeds, for an average of roughly \$260 million per bond issued. This was the largest average amount for any State and significantly larger than

Figure M

Taxable Direct Payment Bond Amounts Allowed Under the American Recovery and Reinvestment Act (ARRA) as a Percentage of Total Proceeds, by Selected Purpose, 2010 [1]

[Money amounts are in billions of dollars]



[1] Includes bonds reported on Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*, as well as bonds reported on Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations*, with a specific reference to "Build America Bond direct payment" or "Recovery Zone Economic Development Bond" in either their issue name or other description. Data exclude returns specifically referencing "Build America Bond tax credit" in either their issue name or other description.

[2] Includes bonds reported on Form 8038-B, as well as bonds reported on Form 8038-G with a specific reference to "Education" or "School" in either their issue name or other description.

[3] Includes bonds reported on Form 8038-B, as well as bonds reported on Form 8038-G with a specific reference to "Utility" in either their issue name or other description.

[4] "Other purposes" refer to build America bonds and recovery zone economic development bonds for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G or Form 8038-B. Data combines recovery zone economic development bonds reported for "other purposes" and "job training and educational programs" to avoid disclosure of specific bonds.

[5] Purposes are for recovery zone economic development bonds filing Form 8038-B.

Figure N

Taxable Direct Payment Bonds Allowed Under the American Recovery and Reinvestment Act (ARRA), for All States and Top 15 States, 2010

[Money amounts are in millions of dollars]

State of issue	All issues [1]			
	Number	Amount of proceeds	Percentage of total amount	Rank
	(1)	(2)	(3)	(4)
All States	2,586	126,230	100.0	N/A
Top 15 States, total	1,236	96,683	76.6	N/A
California	127	23,716	18.8	1
New York	58	15,055	11.9	2
Texas	70	9,809	7.8	3
Illinois	225	8,091	6.4	4
Ohio	144	6,803	5.4	5
New Jersey	31	5,269	4.2	6
Washington	78	4,372	3.5	7
Florida	75	3,763	3.0	8
Pennsylvania	78	3,706	2.9	9
Georgia	29	3,416	2.7	10
Massachusetts	16	2,902	2.3	11
Virginia	53	2,701	2.1	12
Colorado	59	2,622	2.1	13
Missouri	161	2,284	1.8	14
Maryland	32	2,174	1.7	15

N/A—Not applicable. Rank applies only to individual states.

[1] Includes bonds reported on Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*, as well as bonds reported on Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations*, with a specific reference to "Build America Bond direct payment" or "Recovery Zone Economic Development Bond" in either their issue name or other description. Data exclude returns specifically referencing "Build America Bond tax credit" in either their issue name or other description.

the national average of \$48.8 million per direct payment issued. New York bond proceeds were 11.9 percent of the national total, a percentage greater than its share of the U.S. population (6.3 percent). Texas had \$9.8 billion (7.8 percent) in direct bond issuance in 2010, making it the third largest issuer of direct payment bonds allowable under ARRA.

Figure O shows 10 States accounted for almost \$5.2 billion (58 percent) of the \$8.9 billion in total direct payment bond issuance allowable under HIRE (specified tax credit bonds) for 2010. The 2010 Census estimate for these 10 States, combined, was 51.9 percent of the U.S. population. California had just shy of \$1.1 billion in bond issuance, which made it the single largest issuer of specified tax credit bonds. Florida and Michigan issued

\$732 million (8.2 percent) and \$581 million (6.5 percent) of all specified tax credit bonds, but their populations represent 6.1 percent and 3.2 percent of the U.S. population, respectively. New York had \$562 million (6.3 percent) while only issuing 6 specified tax credit bonds in 2010, averaging nearly \$93.7 million per bond issued, again the largest average issue amount for any State and significantly higher than the national average of \$10.2 million per bond issued.

Direct payment bond issuers are required to file Form 8038-CP, *Return for Credit Payments to Issuers of Qualified Bonds*, to request credit payments. Issuers requested 3,116 credit payments totaling more than \$1.8 billion for interest payments made to holders of direct payment bonds during 2010 (Figure P).²⁶ There were

²⁶ Form 8038-CP, *Return for Credit Payment to Issuers of Qualified Bonds*, is used by issuers of Build America Bonds, recovery zone economic development bonds, and specified tax credit bonds who elect to receive a direct payment from the Federal Government equal to a percentage of the interest payments on these bonds. Specifically, issuers of Build America Bonds receive a credit payment equal to 35 percent of interest payable, and issuers of recovery zone economic development bonds receive a credit payment equal to 45 percent of interest payable. For specified tax credit bonds the amount of refundable credit payments for qualified zone academy bonds and qualified school construction bonds is the lesser of 100 percent of the interest payable or 100 percent of the amount of interest determined at the applicable tax credit rate under 54A(b)(3). The amount of refundable credit payments for new clean renewable energy bonds and qualified energy conservation bonds is the lesser of 70 percent of the interest payable or 70 percent of the amount of interest determined at the applicable tax credit rate under 54A(b)(3).

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Figure 0

Specified Tax Credit Bonds Allowed Under the Hiring Incentives To Restore Employment Act (HIRE), for All States and Top 10 States, 2010

[Money amounts are in millions of dollars]

State of issue	Total specified tax credit bonds [1]			
	Number	Amount	Percentage of total amount	Rank
	(1)	(2)	(3)	(4)
All States	870	8,897	100.0	N/A
Top 10 States, total	304	5,163	58.0	N/A
California	50	1,083	12.2	1
Florida	22	732	8.2	2
Michigan	54	581	6.5	3
New York	6	562	6.3	4
Ohio	73	556	6.2	5
Pennsylvania	9	455	5.1	6
Texas	50	352	4.0	7
Illinois	17	330	3.7	8
Washington	17	273	3.1	9
Missouri	6	239	2.7	10

N/A—Not applicable. Rank applies only to individual States.

[1] Includes bonds reported on Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*, and Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*, that indicate the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A). Issuers who elect to apply section 6431(f) are eligible to receive Federal direct payments and are classified as "specified tax credit bonds" for purposes of this figure.

2,658 Forms 8038-CP filed for direct payment bonds allowable under ARRA, accounting for almost all of the total credit payments requested. Build America Bond issuers accounted for 95.8 percent of all credit payments requested for interest paid to bondholders in 2010. An additional \$32 million in credit payments were requested by issuers of recovery zone economic development bonds. Issuers of direct payment bonds allowable under HIRE filed 458 Forms 8038-CP and requested \$45 million in credit payments. Issuers of qualified school construction bonds filed 374 Forms 8038-CP and requested \$44 million in credit payments.

Summary

The American Recovery and Reinvestment Act of 2009 and The Hiring Incentives To Restore Employment Act of 2010 temporarily expanded municipal bond financing options by introducing direct payment bonds through the Build America Bond, the recovery zone economic development bond, and specified tax credit bond programs. More than 3,456 direct payment bonds raised \$135.1 billion in proceeds in 2010. The Build America Bond program raised slightly less than \$84.9 billion for education, transportation, and utilities purposes in 2010 before it expired on December 31, 2010. The provisions of HIRE allowed issuers of qualified school construction

bonds, qualified zone academy bonds, qualified energy conservation bonds, and new clean renewable energy bonds to make an irrevocable election to issue direct payment bonds in the form of specified tax credit bonds. For 2010, specified tax credit bonds raised nearly \$8.9 billion in proceeds for 870 qualifying facilities. However, the municipal market was still dominated by the almost 22,000 tax-exempt governmental bonds issued in 2010, raising \$293.6 billion of proceeds for public projects such as schools, transportation infrastructure, and utilities. Of the nearly \$217.3 billion of long-term governmental bonds issued, \$122.6 billion of proceeds were used to refunded prior governmental bond issues, while the remaining \$94.6 billion of proceeds financed new projects. This marked the first time since 1993 that refunding proceeds were greater than new money proceeds for governmental bonds. In addition, nearly 3,800 tax-exempt private activity bonds were issued in 2010, totaling \$126.1 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 the facilities of IRC section 501(c)(3) organizations (such as hospitals and private universities). Of the \$123.6 billion of long-term private activity bonds issued, \$63.3 billion of the proceeds were used to finance new projects, while the remaining \$60.3 billion

Figure P

Interest and Credit Payments to Issuers of Direct Payment Bonds, 2010

[Money amounts are in millions of dollars]

Direct payment bond type	Number of Forms 8038-CP filed	Interest payable to bondholders	Credit payments
	(1)	(2)	(3)
Total, direct payment bonds [1]	3,116	5,122	1,828
Total, direct payment bonds allowable under the American Recovery and Reinvestment Act (ARRA)	2,658	5,072	1,782
Build America Bond	2,380	5,002	1,751
Recovery zone economic development bond	278	70	32
Total, direct payment bonds allowable under the Hiring Incentives To Restore Employment Act (HIRE)	458	49	45
Qualified school construction bond	374	48	44
Qualified zone academy bond	55	1	1
New clean renewable energy bond	** 29	** 1	** [2]
Qualified energy conservation bond	**	**	**

** Data combined to prevent disclosure of specific taxpayer data.

[1] Form 8038-CP, *Return for Credit Payment to Issuers of Qualified Bonds*, is used by issuers of Build America Bonds, recovery zone economic development bonds, and specified tax credit bonds who elect to receive a direct payment from the Federal Government equal to a percentage of the interest payments on these bonds. Specifically, issuers of Build America Bonds receive a credit payment equal to 35 percent of interest payable, and recovery zone economic development bonds receive a credit payment equal to 45 percent of interest payable. For specified tax credit bonds the amount of refundable credit payments for qualified zone academy bonds and qualified school construction bonds is the lesser of 100 percent of the interest payable or 100 percent of the amount of interest determined at the applicable tax credit rate under Internal Revenue Code section 54A(b)(3). The amount of refundable credit payments for new clean renewable energy bonds and qualified energy conservation bonds is the lesser of 70 percent of the interest payable or 70 percent of the amount of interest determined at the applicable tax credit rate under section 54A(b)(3).

[2] Indicates an amount less than \$500,000.

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

were used to refund 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, 8038-B, 8038-G, and 8038-TC filed with the Internal Revenue Service for bonds issued during Calendar Year 2010. Form 8038-CP data are population data for credit payments requested during the year.²⁷ Tax-exempt bond data exclude returns filed for commercial paper transactions, as well as issues that are loans from the proceeds of another tax-exempt bond issue, an arrangement known as pooled financing. Data for taxable bonds issued under the American Recovery and Reinvestment Act of 2009 were compiled from Forms 8038-B; however, a small percentage were obtained from Forms 8038-G that included a specific reference to “Build America Bonds” or “recovery zone economic development bonds.” Data for tax credit bonds were compiled from Forms 8038-TC; however, some

data were compiled from Forms 8038 and 8038-G that included a specific reference to “qualified school construction,” “new clean renewable energy,” “qualified zone academy,” or “Midwestern tax credit” bonds. Data for credit payments were compiled from Forms 8038-CP filed for interest paid to bondholders in 2010.

Bond issuers were required to file Forms 8038, 8038-B, 8038-G, and 8038-TC by the 15th day of the second calendar month after the close of the calendar quarter in which the bond was issued. The filing deadline for Form 8038-CP varied based on the structure of the interest payments. In an effort to include as many applicable returns for a particular year as possible, each of the respective study periods extended well beyond established filing deadlines. The Forms 8038, 8038-B, 8038-G, and 8038-TC data include returns processed from January 1, 2010, to April 30, 2012, for bonds issued in 2010. The Form 8038-CP data include returns processed from October 24, 2011, to April 23, 2012, for interest paid during 2010. Where possible, data from amended returns filed and

²⁷ Filing requirements for Form 8038-CP, *Return for Credit Payment to Issuers of Qualified Bonds*, vary depending on whether the bond has a fixed or variable rate of interest. Fixed rate bonds must file no later than 45 days after the interest payment date and no earlier than 90 days before the interest payment date. For variable rate bonds, if the issuer does not know the payment amount 45 days prior to the interest payment date, the issuer must aggregate all credit payments on a quarterly basis and file Form 8038-CP no later than 45 days after the last interest payment date.

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processed before the cutoff dates were included. Late-filed returns processed after the respective cutoff dates 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

American Recovery and Reinvestment Act of 2009 (ARRA)—An act of the 111th Congress passed on February 17, 2009, in response to the economic crisis. The passage of ARRA added to the Internal Revenue Code (IRC) sections 54AA and 1400U-1 through 1400U-3, authorizing State and local governments to issue two general types of Build America Bonds, recovery zone economic development bonds, and recovery zone exempt facility bonds.

Arbitrage bond—A bond where at the time of issuance, the issuer of the bond intentionally uses all proceeds or a portion of its proceeds to acquire a higher yield or to replace funds used to acquire higher yielding investments.

Bond anticipation note (BAN)—A type of short-term governmental bond issue, the proceeds of which are generally used to pay the 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.

Build America Bond (BAB)—The American Recovery and Reinvestment Act (ARRA) added IRC section 54AA to enable State and local governments to issue bonds for authorized purposes to promote economic recovery and job creation. These new types of bonds would be issued as taxable governmental bonds with federal subsidies to help offset a portion of issuers' borrowing costs. The two distinct types of Build America Bonds—Build America Bond tax credit and Build America Bond direct payment subsidy—vary by the structure of federal subsidy. For calendar year 2010, issuers of Build America Bonds were required to file IRS Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*.

Build America Bond tax credit bond—This type of BAB provides a tax credit to investors in an amount

equal to 35 percent of the total coupon interest payable by the issuer of the taxable government bonds.

Build America Bond direct payment bond—This type of BAB provides a refundable credit payment to State or local governmental issuers in an amount equal to 35 percent of the total coupon interest payable to investors.

Clean renewable energy bond (CREB)—A type of tax credit bond used to finance eligible clean renewable energy projects which are subject to a national volume cap. Issuers of clean renewable energy bonds under IRC Section 54 must be eligible to apply for volume cap allocations. Clean renewable energy bonds were first authorized under the Energy Tax Incentive Act of 2005. For additional information, see Internal Revenue Notice 2007-26.

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 designated “empowerment zones” or “enterprise communities.” These designations are made by the 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. They also include 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 that is not a private activity bond (see below) and is issued by a State or local government unit. The interest on a governmental 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 of 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, 2012; 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, 2012. (See Internal Revenue Service Notice 2006-41, Internal Revenue Bulletin 2006-18, for additional information.)

The Hiring Incentives To Restore Employment Act of 2010 (HIRE)—Enacted on March 18, 2010, HIRE provides an option for issuers of certain qualified tax credit bonds (“specified tax credit bonds”) to irrevocably elect to issue the bonds with a direct pay subsidy, in the same manner as the Build America Bonds direct pay subsidy. The issuer of these bonds will receive an interest payment subsidy from the Federal government. Bondholders will receive a taxable interest payment from the issuer instead of a tax credit. For additional information please see Internal Revenue Notice 2010-35.

Midwestern tax credit bond—A type of tax credit bond whose issuers are located in specific counties in Arkansas, Illinois, Indiana, Iowa, Missouri, Nebraska, and Wisconsin that were adversely affected by severe storms, tornadoes, or flooding (collectively referred to as “the Midwestern disaster area”). Midwestern tax credit bonds were only authorized for issuance during Calendar Year 2010. See Internal Revenue Notice 2008-109 for additional information.

New clean renewable energy bond (NEWCREB)—Any bond issued as part of an issue if: (1) 100 percent of the available project proceeds of such issue are to be used for capital expenditures incurred by governmental bodies, public power providers, or cooperative electric companies for one or more qualified renewable energy facilities; (2) the bond is issued by a qualified issuer; and (3) the issuer designates such bond for purposes of IRC section 54C.

Issuers of new clean renewable energy bonds receive 70 percent of the interest paid to the borrower if the interest was determined at the tax credit bond rate determined under section 54A(b)(3) for qualified tax credit bonds. If a new clean renewable energy bond was issued as a specified tax credit bond, issuers can receive the lesser of 70 percent of their interest payment or the amount of interest that would have been paid if the interest rate was determined at the tax credit bond rate. For more information on new clean renewable energy bonds, see IRC section 54C and Internal Revenue Notice 2010-35.

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, 2012. 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).

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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 energy conservation bond—Any bond issued as part of an issue if: (1) 100 percent of the available project proceeds of such issue are to be used for one or more qualified conservation purposes; (2) the bond is issued by a State or local government; and (3) the issuer designates such bond for purposes of IRC section 54D.

Issuers of qualified energy conservation bonds receive 70 percent of the interest paid to the borrower if the interest was determined at the tax credit bond rate determined under section 54A(b)(3) for qualified tax credit bonds. If a qualified energy conservation bond was issued as a specified tax credit bond, issuers can receive the lesser of 70 percent of their interest payment or the amount of interest that would have been paid if the interest rate was determined at the tax credit bond rate. For more information on new clean renewable energy bonds, see IRC section 54D and Internal Revenue Notice 2010-35.

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 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, 2012. (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 (SAFETEA-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 hospital bond—Type of qualified section 501(c)(3) bond issue of which 95 percent or more of the net proceeds are to be used to finance a hospital.

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 school construction bond (QSCB)—A type of tax credit bond, of which 100 percent of the bond proceeds are to be used for construction, rehabilitation, repair, or land acquisition in connection with a public school facility, which is issued by a State or local government within the jurisdiction of where the school is located. QSCBs are subject to a national volume cap to be allocated by the Treasury among the States. The American Recovery and Reinvestment Act of 2009 (ARRA) created IRC section 54F authorizing QSCBs.

The Hiring Incentives to Restore Employment Act of 2010 allowed issuers of QSCBs to receive 100 percent of the interest paid to the borrower if the interest were determined at the tax credit bond rate determined under section 54A(b)(3) for qualified tax credit bonds. If a QSCB was issued as a specified tax credit bond issuers can receive the lesser of 100 percent of their interest payment or the amount of interest that would have been paid if the interest rate was determined at the tax credit bond rate. For more information on QSCBs, see IRC section 54E and Internal Revenue Notice 2010-35.

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 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.

Qualified zone academy bond (QZAB)—A type of tax credit bond issued by a State or local government to finance certain eligible public school purposes authorized under IRC section 54E. QZABs are subject to a national volume cap to be allocated by the Treasury among the States.

Issuers of QZABs receive 100 percent of the interest paid to the borrower if the interest was determined at the tax credit bond rate determined under section 54A(b)(3) for qualified tax credit bonds. If a QZAB was issued as a specified tax credit bond, issuers can receive the lesser of 100 percent of their interest payment or the amount of interest that would have been paid if the interest rate was determined at the tax credit bond rate. For more information on QZABs, see IRC section 54E and Internal Revenue Notice 2010-35.

Recovery zone bond—The American Recovery and Reinvestment Act (ARRA) added IRC sections 1400U-1 through 1400U-3 authorizing State and local

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governments to issue recovery zone bonds. These bonds provide tax incentives through lower borrowing costs and are intended to promote job creation and economic recovery in targeted areas particularly affected by employment declines. See Internal Revenue Notice 2009-50 for additional information.

Recovery zone economic development bond—Authorized under IRC section 1400U-2, this type of bond provides for a deeper Federal subsidy through a refundable credit payment to State or local governmental issuers in an amount equal to 45 percent of the total coupon interest payable to investors. A recovery zone economic development bond must be a Build America Bond, the proceeds of which must be used for one or more qualified economic development purposes. Recovery zone economic development bonds are allocated under a \$10 billion national bond volume cap. For Calendar Year 2010, issuers of recovery zone exempt facility bonds were required to file IRS Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*.

Recovery zone exempt facility bond—Authorized under IRC section 1400U-3, which expanded the definition of the term “exempt facility bond” to include any recovery zone facility bond. A recovery zone exempt facility bond must be a qualified private activity bond under IRC section 142, the proceeds of which may be used to finance certain “recovery zone property.” Recovery zone exempt facility bonds are allocated under a \$15 billion national bond volume cap. For Calendar Year 2010, issuers of recovery zone exempt facility bonds were required to file IRS Form 8038, *Information Return for Tax-Exempt Private Activity Bonds*.

Specified tax credit bonds—New clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds and qualified school construction bonds are specified tax credit bonds for purposes

of IRC section 6431(f). As a result of legislation in the HIRE Act, issuers of these bonds can elect to receive the tax credit in the form of a direct payment subsidy instead of the bondholder (investor) receiving the tax credits. Issuers are required to file IRS Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*, to report such issues. See IRC section 54 and Internal Revenue Notice 2010-35.

Tax credit bond—Tax credit bonds are not interest-bearing obligations. The holder of a tax credit bond is generally allowed an annual Federal income tax credit while the bond is outstanding. The amount of the credit is equal to the face amount of the bond multiplied by the credit rate of the bond. Unique to all other tax credit bonds, issuers of certain qualified tax credit bonds, specifically new clean renewable energy bonds and qualified energy conservation bonds, pay bondholders taxable interest payments in addition to the tax credit the bondholder receives. For additional information, see Internal Revenue Notice 2009-15 and “Frequently asked Question on Qualified Tax Credit Bonds and Specified Tax Credit Bonds” at http://www.irs.gov/pub/irs-tege/tc_and_stcb_q-a_09-07-10_1.5.pdf.

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.

NOTE: Additional tax-exempt bond data, including data for prior years, can be found on the SOI’s Tax Stats Web site: <http://www.irs.gov/taxstats>. Click on “Tax-Exempt Bonds.”

Table 1. Tax-Exempt Governmental Bonds, by Type and Term of Issue, 2010

[Money amounts are in millions of dollars]

Type and term of issue	Number	Amount
All issues, total [1]	21,861	293,625
Short-term	5,927	76,367
Long-term	15,934	217,258
New money issues, total	15,256	159,906
Short-term	4,239	65,262
Long-term	11,017	94,644
Refunding issues, total	8,817	133,719
Short-term	2,351	11,105
Long-term	6,466	122,614

[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, 2010

[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]	15,934	217,258	11,017	94,644	6,466	122,614
Education	5,411	52,201	3,522	21,682	2,314	30,519
Health and hospital	312	3,619	253	1,842	89	1,777
Transportation	1,073	29,352	787	14,962	440	14,390
Public safety	1,756	5,156	1,499	2,772	407	2,383
Environment	1,421	13,693	1,008	7,679	636	6,014
Housing	100	790	67	290	42	500
Utilities	2,179	38,151	1,366	12,596	1,137	25,555
Bond and tax/revenue anticipation notes	288	2,198	247	1,882	63	316
Other purposes [2]	4,623	72,099	3,078	30,939	2,198	41,160

[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" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on Form 8038-G, *Information Return for Tax-Exempt Government Obligations*.

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, 2010

[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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total [1]	15,934	217,258	10,959	2,029	1,349	189	1,221
Education	5,411	52,201	3,902	571	568	47	215
Health and hospital	312	3,619	173	35	16	2	31
Transportation	1,073	29,352	808	214	46	10	93
Public safety	1,756	5,156	691	53	55	5	46
Environment	1,421	13,693	1,068	114	107	11	157
Housing	100	790	d	d	4	1	d
Utilities	2,179	38,151	1,859	395	296	48	373
Bond and tax/revenue anticipation notes	288	2,198	d	d	0	0	d
Other purposes [2]	4,623	72,099	3,351	616	348	65	322

Bond purpose	Allocation to reserve fund —continued	Total lendable proceeds		Proceeds used to refund prior issues		Nonrefunding proceeds	
	Amount	Number	Amount	Number	Amount	Number	Amount
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total [1]	2,555	15,931	212,485	6,466	120,536	11,014	91,949
Education	226	5,411	51,356	2,314	30,110	3,520	21,246
Health and hospital	54	312	3,528	89	1,741	253	1,787
Transportation	605	1,073	28,523	440	14,044	787	14,479
Public safety	40	1,756	5,057	407	2,335	1,499	2,722
Environment	182	1,421	13,387	636	5,917	1,008	7,470
Housing	d	100	769	42	493	66	276
Utilities	707	2,179	37,000	1,137	24,962	1,366	12,037
Bond and tax/revenue anticipation notes	d	288	2,178	63	313	247	1,865
Other purposes [2]	731	4,623	70,687	2,198	40,621	3,078	30,067

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" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, *Information Return for Tax-Exempt Government Obligations*.

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

Table 4. New Money Long-Term, Tax-Exempt Governmental Bonds, by Bond Purpose and Size of Entire Issue, 2010

[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]	11,017	94,644	3,970	940	1,334	900	2,921	6,358
Education	3,522	21,682	1,254	300	431	295	851	1,889
Health and hospital	253	1,842	74	17	24	15	71	147
Transportation	787	14,962	239	51	73	45	205	335
Public safety	1,499	2,772	866	205	209	136	237	391
Environment	1,008	7,679	263	63	122	77	319	595
Housing	67	290	10	2	10	7	23	44
Utilities	1,366	12,596	226	57	154	96	542	1,121
Bond and tax/revenue anticipation notes	247	1,882	51	16	36	24	96	222
Other purposes [3]	3,078	30,939	1,021	230	324	205	795	1,612

Bond purpose	Size of entire issue—continued							
	\$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]	1,050	6,247	950	11,816	508	16,094	284	52,289
Education	338	2,013	376	4,640	206	6,368	66	6,177
Health and hospital	20	114	30	378	21	560	13	611
Transportation	76	277	74	631	49	1,117	71	12,505
Public safety	80	336	57	344	31	441	19	920
Environment	116	585	107	1,045	42	790	39	4,525
Housing	7	48	7	67	5	94	5	28
Utilities	183	933	133	1,319	71	1,781	57	7,289
Bond and tax/revenue anticipation notes	30	197	17	237	13	577	4	608
Other purposes [3]	351	1,745	316	3,156	178	4,364	93	19,627

[1] Form 8038-G, *Information Return for Tax-Exempt Government Obligations*, with an entire issue price less than \$100,000 is 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 does not process data from the 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" 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 Government Obligations*.

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, 2010

[Money amounts are in millions of dollars]

State of issue	Total [1]		Bond purpose					
			Education		Health and hospital		Transportation	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All States	11,017	94,644	3,522	21,682	253	1,842	787	14,962
Alabama	189	642	29	88	7	125	d	d
Alaska	17	198	d	d	0	0	d	d
Arizona	135	3,227	76	342	d	d	6	693
Arkansas	150	419	64	257	4	4	4	24
California	624	14,502	214	4,010	33	411	16	2,726
Colorado	200	1,299	44	232	5	45	13	310
Connecticut	123	1,160	65	299	d	d	31	266
Delaware	22	341	3	15	0	0	d	d
District of Columbia	9	300	d	d	0	0	d	d
Florida	291	8,436	53	897	d	d	24	1,711
Georgia	219	2,091	32	322	9	56	d	d
Hawaii	7	149	d	d	d	d	0	0
Idaho	40	96	6	10	4	6	5	14
Illinois	526	3,709	293	789	d	d	30	511
Indiana	268	1,311	85	235	5	169	22	221
Iowa	361	1,809	124	719	12	37	28	70
Kansas	228	731	46	135	13	32	37	61
Kentucky	199	963	84	77	6	28	15	197
Louisiana	170	1,540	33	334	13	28	8	743
Maine	111	271	34	41	d	d	21	60
Maryland	133	1,744	28	499	8	59	15	317
Massachusetts	187	1,625	60	451	d	d	27	265
Michigan	298	1,156	89	228	7	41	d	d
Minnesota	425	2,166	90	281	0	0	47	355
Mississippi	162	310	22	99	10	25	11	46
Missouri	287	899	105	246	8	14	32	192
Montana	47	75	d	d	0	0	0	0
Nebraska	290	399	40	112	6	7	29	31
Nevada	39	271	9	30	0	0	8	158
New Hampshire	65	380	17	96	d	d	11	15
New Jersey	321	2,336	169	529	d	d	6	673
New Mexico	98	878	41	403	d	d	3	99
New York	605	6,612	302	1,071	7	310	46	1,645
North Carolina	316	2,295	48	595	7	36	8	168
North Dakota	133	135	19	21	d	d	8	3
Ohio	306	1,562	118	301	4	11	23	168
Oklahoma	383	1,909	274	976	12	40	19	250
Oregon	99	1,027	30	107	3	23	5	69
Pennsylvania	598	4,529	200	1,356	0	0	30	633
Rhode Island	32	286	4	75	0	0	6	59

Footnotes at end of table.

Table 5. New Money Long-Term, Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Total [1]		Bond purpose					
			Education		Health and hospital		Transportation	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
South Carolina	188	1,606	37	412	0	0	6	377
South Dakota	40	30	14	6	d	d	3	3
Tennessee	156	487	24	44	d	d	11	17
Texas	996	8,630	246	3,243	d	d	40	570
Utah	98	975	25	275	d	d	7	399
Vermont	88	169	16	7	4	2	6	15
Virginia	146	1,599	34	404	d	d	11	112
Washington	174	2,655	35	393	11	76	15	66
West Virginia	72	434	14	194	d	d	d	d
Wisconsin	296	1,068	96	237	d	d	59	215
Wyoming	39	62	21	21	d	d	d	d
U.S. Possessions [2]	11	3,145	d	d	0	0	0	0

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, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Bond purpose					
	Public safety		Environment		Housing	
	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)
All States	1,499	2,772	1,008	7,679	67	290
Alabama	31	8	d	d	0	0
Alaska	0	0	0	0	0	0
Arizona	d	d	4	405	0	0
Arkansas	10	4	8	25	0	0
California	59	548	29	1,408	9	102
Colorado	23	25	d	d	d	d
Connecticut	38	34	24	81	d	d
Delaware	5	4	6	58	d	d
District of Columbia	0	0	0	0	d	d
Florida	d	d	18	447	d	d
Georgia	d	d	57	216	0	0
Hawaii	d	d	d	d	0	0
Idaho	6	22	4	12	0	0
Illinois	36	81	d	d	0	0
Indiana	43	62	36	367	0	0
Iowa	26	158	28	129	0	0
Kansas	18	27	21	10	0	0
Kentucky	25	18	6	2	0	0
Louisiana	44	46	23	98	0	0
Maine	22	15	6	4	d	d
Maryland	38	46	30	330	d	d
Massachusetts	37	33	32	300	d	d
Michigan	26	7	76	334	0	0
Minnesota	27	25	48	86	3	2
Mississippi	29	6	6	2	0	0
Missouri	34	126	27	76	0	0
Montana	0	0	11	29	d	d
Nebraska	25	13	8	4	0	0
Nevada	5	9	7	20	0	0
New Hampshire	14	27	10	12	0	0
New Jersey	42	98	30	355	d	d
New Mexico	25	13	d	d	0	0
New York	80	142	18	97	4	2
North Carolina	100	275	19	32	3	5
North Dakota	d	d	10	4	0	0
Ohio	44	25	24	486	0	0
Oklahoma	22	75	d	d	d	d
Oregon	15	29	10	82	0	0
Pennsylvania	76	87	129	829	9	19
Rhode Island	6	17	4	37	d	d

Footnotes at end of table.

Table 5. New Money Long-Term, Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Bond purpose					
	Public safety		Environment		Housing	
	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)
South Carolina	d	d	d	d	d	d
South Dakota	9	10	d	d	d	d
Tennessee	21	14	d	d	0	0
Texas	129	131	30	194	d	d
Utah	10	109	4	11	0	0
Vermont	9	5	34	73	d	d
Virginia	33	139	22	164	d	d
Washington	24	50	8	461	4	14
West Virginia	20	5	17	48	0	0
Wisconsin	41	20	58	197	d	d
Wyoming	5	4	d	d	0	0
U.S. Possessions [2]	d	d	0	0	0	0

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, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Bond purpose					
	Utilities		Bond and tax/revenue anticipation notes		Other purposes [3]	
	Number	Amount	Number	Amount	Number	Amount
	(15)	(16)	(17)	(18)	(19)	(20)
All States	1,366	12,596	247	1,882	3,078	30,939
Alabama	35	130	d	d	68	267
Alaska	d	d	0	0	12	154
Arizona	d	d	0	0	26	1,703
Arkansas	41	84	0	0	21	20
California	77	2,897	22	739	178	1,660
Colorado	29	230	d	d	82	419
Connecticut	5	23	0	0	60	408
Delaware	d	d	0	0	7	88
District of Columbia	0	0	d	d	5	54
Florida	51	1,148	0	0	106	4,138
Georgia	23	958	d	d	52	456
Hawaii	0	0	0	0	d	d
Idaho	4	7	4	8	7	18
Illinois	28	35	d	d	121	2,241
Indiana	16	47	11	26	54	184
Iowa	36	84	9	44	131	568
Kansas	34	78	17	47	83	341
Kentucky	21	318	4	6	38	317
Louisiana	23	170	4	17	23	104
Maine	3	3	8	12	36	95
Maryland	d	d	6	100	62	362
Massachusetts	26	30	5	14	109	530
Michigan	26	94	d	d	54	430
Minnesota	66	244	24	78	138	1,096
Mississippi	9	9	0	0	75	122
Missouri	33	72	0	0	53	172
Montana	12	5	d	d	18	36
Nebraska	24	102	15	10	146	119
Nevada	10	31	0	0	4	23
New Hampshire	d	d	3	15	20	187
New Jersey	15	91	d	d	77	578
New Mexico	9	29	0	0	14	306
New York	23	119	6	9	144	3,218
North Carolina	33	114	7	17	111	1,053
North Dakota	54	78	17	15	20	12
Ohio	16	33	4	59	80	479
Oklahoma	33	397	0	0	44	163
Oregon	10	410	6	126	24	179
Pennsylvania	28	498	8	260	138	847
Rhode Island	d	d	d	d	12	85

Footnotes at end of table.

Table 5. New Money Long-Term, Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Bond purpose					
	Utilities		Bond and tax/revenue anticipation notes		Other purposes [3]	
	Number	Amount	Number	Amount	Number	Amount
	(15)	(16)	(17)	(18)	(19)	(20)
South Carolina	23	325	0	0	66	446
South Dakota	d	d	0	0	d	d
Tennessee	44	128	21	28	47	243
Texas	289	2,194	0	0	256	2,211
Utah	20	89	d	d	28	66
Vermont	15	13	d	d	12	50
Virginia	20	102	5	48	62	599
Washington	34	333	9	92	40	1,171
West Virginia	d	d	d	d	17	183
Wisconsin	42	148	15	28	76	218
Wyoming	4	12	0	0	7	8
U.S. Possessions [2]	d	d	0	0	3	2,449

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 Guam, Puerto Rico, and the U.S. Virgin Islands.

[3] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on Form 8038-G, *Information Return for Tax-Exempt Government Obligations*.

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, 2010

[Money amounts are in millions of dollars]

Type and term of issue	Number	Amount
All issues, total [1]	3,799	127,054
Short-term	78	3,441
Long-term	3,721	123,613
New money issues, total	2,562	63,611
Short-term	46	281
Long-term	2,516	63,330
Refunding issues, total	1,747	63,443
Short-term	37	3,160
Long-term	1,710	60,283

[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 7. Long-Term, Tax-Exempt Private Activity Bonds, by Bond Purpose and Type of Issue, 2010

[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]	3,721	123,613	2,516	63,330	1,710	60,283
Airports	97	14,719	52	7,972	67	6,747
Docks and wharves	27	2,101	10	822	22	1,279
Water, sewage, and solid waste disposal facilities	118	6,802	47	2,717	79	4,085
Qualified residential rental facilities	308	5,684	206	3,523	116	2,161
Local electricity or gas furnishing facilities	6	508	d	d	d	d
Tax Reform Act of 1986 transition property bonds	46	3,329	d	d	d	d
Qualified enterprise zone facility bonds	d	d	0	0	d	d
Qualified empowerment zone facility bonds	d	d	0	0	d	d
Qualified highway or surface freight transfer facility bonds	4	1,741	d	d	d	d
Qualified New York Liberty Zone bonds	d	d	0	0	d	d
2008 Housing Act bonds issued under IRC section 142	22	361	19	309	5	52
Qualified Gulf Opportunity Zone exempt facility bonds, Gulf Opportunity Zone mortgage bonds, and Gulf Opportunity Zone advance refunding bonds	61	4,962	53	4,539	8	423
Environmental enhancements of hydroelectric generating facilities	d	d	d	d	d	d
Qualified Midwestern disaster area exempt facility bonds, and qualified Midwestern disaster area mortgage bonds	57	418	57	418	0	0
Qualified Hurricane Ike disaster area exempt facility bonds	5	699	5	699	0	0
Recovery zone facility bonds	427	6,267	427	6,267	0	0
Qualified mortgage bonds	84	7,355	71	4,295	48	3,061
2008 Housing Act bonds issued under IRC section 143	21	1,045	21	865	9	180
Qualified veterans' mortgage bonds	4	307	d	d	d	d
Qualified small issue bonds	428	823	335	578	103	244
Qualified student loan bonds	25	4,683	13	863	16	3,821
Qualified hospital facilities	429	29,374	249	11,710	275	17,664
Qualified section 501(c)(3) nonhospital bonds	1,614	31,631	983	16,202	955	15,429
Nongovernmental output property bonds	d	d	0	0	d	d
Other purposes [2]	12	68	9	13	3	55

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" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on Form 8038, *Information 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, 2010

[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
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total [1]	3,721	123,613	2,139	887	192	123	472	1,824
Airports	97	14,719	88	114	19	13	37	542
Docks and wharves	27	2,101	d	d	d	d	11	83
Water, sewage, and solid waste disposal facilities	118	6,802	49	25	10	1	9	9
Qualified residential rental facilities	308	5,684	61	9	16	8	33	15
2008 Housing Act bonds issued under IRC section 142	22	361	d	d	d	d	d	d
Qualified Gulf Opportunity Zone exempt facility bonds, Gulf Opportunity Zone mortgage bonds, and Gulf Opportunity Zone advance refunding bonds	61	4,962	44	32	4	2	4	12
Qualified Midwestern disaster area exempt facility bonds, and qualified Midwestern disaster area mortgage bonds	57	418	39	4	d	d	d	d
Recovery zone facility bonds	427	6,267	326	62	29	8	38	59
Qualified mortgage bonds	84	7,355	24	14	0	0	20	45
2008 Housing Act bonds issued under IRC section 143	21	1,045	7	2	0	0	9	16
Qualified small issue bonds	428	823	87	6	15	1	3	1
Qualified student loan bonds	25	4,683	d	d	d	d	11	40
Qualified hospital facilities	429	29,374	292	259	34	60	56	415
Qualified section 501(c)(3) nonhospital bonds	1,614	31,631	1,109	297	64	29	247	512
All other bonds, combined [2]	84	7,388	d	d	d	d	10	72

Footnotes at end of table.

Table 8. Computation of Lendable Proceeds for Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

Selected 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]	3,721	120,778	1,712	59,352	2,609	61,427
Airports	97	14,050	67	6,601	54	7,450
Docks and wharves	27	2,001	22	1,232	10	769
Water, sewage, and solid waste disposal facilities	118	6,767	79	4,077	48	2,690
Qualified residential rental facilities	308	5,652	116	2,158	206	3,494
2008 Housing Act bonds issued under IRC section 142	22	359	5	52	19	307
Qualified Gulf Opportunity Zone exempt facility bonds, Gulf Opportunity Zone mortgage bonds, and Gulf Opportunity Zone advance refunding bonds	61	4,916	10	421	53	4,495
Qualified Midwestern disaster area exempt facility bonds, and qualified Midwestern disaster area mortgage bonds	57	411	0	0	57	411
Recovery zone facility bonds	427	6,138	0	0	427	6,138
Qualified mortgage bonds	84	7,297	48	3,044	71	4,253
2008 Housing Act bonds issued under IRC section 143	21	1,027	9	176	21	851
Qualified small issue bonds	428	815	103	244	336	571
Qualified student loan bonds	25	4,626	16	3,790	13	836
Qualified hospital facilities	429	28,640	275	17,274	259	11,366
Qualified section 501(c)(3) nonhospital bonds	1,614	30,793	955	15,152	1,065	15,641
All other bonds, combined [2]	84	7,286	63	5,131	25	2,155

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] 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 Form 8038, *Information 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 enterprise zone facility bonds, qualified empowerment zone facility bonds, qualified highway or surface freight transfer facility bonds, New York Liberty Zone bonds, environmental enhancements of hydroelectric generating facilities, Hurricane Ike disaster area exempt facility bonds, qualified veterans' mortgage bonds, and nongovernmental output property bonds.

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, 2010

[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]	2,516	63,330	279	82	600	1,582	459	2,939
Airports	52	7,972	0	0	d	d	d	d
Docks and wharves	10	822	0	0	0	0	0	0
Water, sewage, and solid waste disposal facilities	47	2,717	d	d	d	d	7	49
Qualified residential rental facilities	206	3,523	d	d	d	d	56	388
2008 Housing Act bonds issued under IRC section 142	19	309	0	0	d	d	8	63
Qualified Gulf Opportunity Zone exempt facility bonds, and Gulf Opportunity Zone mortgage bonds	53	4,539	0	0	d	d	10	67
Qualified Midwestern disaster area exempt facility bonds, and qualified Midwestern disaster area mortgage bonds	57	418	d	d	26	62	13	82
Recovery zone facility bonds	427	6,267	11	6	158	441	102	716
Qualified mortgage bonds	71	4,295	0	0	0	0	0	0
2008 Housing Act bonds issued under IRC section 143	21	865	0	0	0	0	d	d
Qualified small issue bonds	335	578	225	52	60	167	39	258
Qualified student loan bonds	13	863	0	0	0	0	0	0
Qualified hospital facilities	249	11,710	4	3	26	75	26	154
Qualified section 501(c)(3) nonhospital bonds	983	16,202	26	15	273	667	198	1,144
All other bonds, combined [2]	25	2,252	6	2	d	d	d	d

Footnotes at end of table.

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Table 9. New Money Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose and Size of Entire Issue, 2010—Continued

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

Selected bond purpose	Size of entire issue							
	\$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]	534	7,187	267	6,981	173	10,239	204	34,319
Airports	7	90	7	210	4	277	25	7,377
Docks and wharves	d	d	d	d	d	d	5	637
Water, sewage, and solid waste disposal facilities	10	171	6	172	7	368	10	1,937
Qualified residential rental facilities	74	1,101	25	682	10	561	5	679
2008 Housing Act bonds issued under IRC section 142	7	91	d	d	d	d	0	0
Qualified Gulf Opportunity Zone exempt facility bonds, and Gulf Opportunity Zone mortgage bonds	d	d	7	171	12	846	16	3,402
Qualified Midwestern disaster area exempt facility bonds, and qualified Midwestern disaster area mortgage bonds	9	124	3	91	d	d	0	0
Recovery zone facility bonds	100	1,595	36	1,215	12	865	8	1,425
Qualified mortgage bonds	5	63	13	251	23	931	30	3,049
2008 Housing Act bonds issued under IRC section 143	0	0	d	d	8	338	7	457
Qualified small issue bonds	11	100	0	0	0	0	0	0
Qualified student loan bonds	d	d	d	d	d	d	6	673
Qualified hospital facilities	56	671	39	947	41	2,422	57	7,438
Qualified section 501(c)(3) nonhospital bonds	253	3,048	133	3,011	54	2,899	46	5,419
All other bonds, combined [2]	d	d	0	0	5	394	10	1,826

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] 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 Form 8038, *Information 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 facility bonds, environmental enhancements of hydroelectric generating facilities, Hurricane Ike disaster area exempt facility bonds, and qualified veterans' mortgage bonds.

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

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Table 10. New Money Long-Term, Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2010

[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 facilities		Qualified residential rental facilities		2008 Housing Act bonds issued under IRC section 142	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All States	2,516	63,330	62	8,794	47	2,717	206	3,523	19	309
Alabama	37	913	d	d	d	d	d	d	0	0
Alaska	9	167	d	d	d	d	d	d	0	0
Arizona	24	476	d	d	0	0	0	0	0	0
Arkansas	16	136	0	0	0	0	0	0	0	0
California	185	6,082	7	2,568	13	277	50	553	0	0
Colorado	30	1,125	0	0	0	0	d	d	0	0
Connecticut	26	1,142	d	d	0	0	d	d	0	0
Delaware	13	552	0	0	d	d	0	0	0	0
District of Columbia	28	779	d	d	0	0	d	d	0	0
Florida	100	4,141	7	983	d	d	11	121	4	39
Georgia	61	1,852	d	d	d	d	5	28	d	d
Hawaii	4	790	d	d	d	d	0	0	0	0
Idaho	14	174	0	0	0	0	0	0	0	0
Illinois	149	2,567	3	111	d	d	11	204	0	0
Indiana	41	774	0	0	d	d	0	0	0	0
Iowa	161	422	d	d	0	0	0	0	0	0
Kansas	50	313	0	0	0	0	0	0	0	0
Kentucky	34	895	0	0	d	d	d	d	0	0
Louisiana	53	3,553	d	d	0	0	d	d	0	0
Maine	11	299	d	d	0	0	d	d	d	d
Maryland	54	1,048	d	d	0	0	7	154	0	0
Massachusetts	98	2,442	d	d	d	d	8	263	0	0
Michigan	51	835	0	0	d	d	d	d	d	d
Minnesota	93	1,240	d	d	d	d	13	117	0	0
Mississippi	28	1,605	0	0	0	0	d	d	0	0
Missouri	62	1,019	0	0	0	0	11	91	d	d
Montana	25	236	0	0	0	0	0	0	0	0
Nebraska	34	492	d	d	0	0	0	0	0	0
Nevada	5	988	d	d	0	0	0	0	0	0
New Hampshire	22	360	0	0	0	0	d	d	0	0
New Jersey	49	1,685	0	0	3	30	d	d	0	0
New Mexico	6	93	0	0	0	0	0	0	d	d
New York	131	4,990	d	d	3	102	21	1,204	0	0
North Carolina	52	1,226	0	0	0	0	d	d	0	0
North Dakota	36	465	d	d	d	d	0	0	0	0

Footnotes at end of table.

Table 10. New Money Long-Term, Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2010—Continued

[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 facilities		Qualified residential rental facilities		2008 Housing Act bonds issued under IRC section 142	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Ohio	79	2,276	d	d	0	0	9	77	0	0
Oklahoma	6	164	0	0	0	0	d	d	0	0
Oregon	25	482	d	d	0	0	d	d	0	0
Pennsylvania	172	2,733	d	d	d	d	4	41	d	d
Rhode Island	14	265	0	0	0	0	0	0	d	d
South Carolina	25	681	d	d	0	0	0	0	0	0
South Dakota	21	239	0	0	0	0	0	0	0	0
Tennessee	50	905	d	d	0	0	5	29	0	0
Texas	81	4,997	8	783	6	515	3	36	0	0
Utah	20	281	0	0	0	0	d	d	d	d
Vermont	19	203	0	0	0	0	4	11	d	d
Virginia	62	1,618	0	0	d	d	7	126	d	d
Washington	46	924	3	182	d	d	3	52	d	d
West Virginia	15	388	0	0	d	d	d	d	0	0
Wisconsin	86	1,221	d	d	0	0	d	d	0	0
Wyoming	3	74	0	0	0	0	0	0	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, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Selected bond purpose									
	Qualified Gulf Opportunity Zone exempt facility bonds, and Gulf Opportunity Zone mortgage bonds		Qualified Midwestern disaster area exempt facility bonds, and qualified Midwestern disaster area mortgage bonds		Recovery zone facility bonds		Qualified mortgage bonds		2008 Housing Act bonds issued under IRC section 143	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All States	53	4,539	57	418	427	6,267	71	4,295	21	865
Alabama	6	375	0	0	14	235	0	0	0	0
Alaska	0	0	0	0	4	26	d	d	0	0
Arizona	0	0	0	0	5	119	0	0	0	0
Arkansas	0	0	0	0	3	52	0	0	0	0
California	0	0	0	0	21	559	d	d	0	0
Colorado	0	0	0	0	d	d	0	0	0	0
Connecticut	0	0	0	0	0	0	3	60	d	d
Delaware	0	0	0	0	5	100	d	d	0	0
District of Columbia	0	0	0	0	d	d	0	0	0	0
Florida	0	0	0	0	11	194	8	439	d	d
Georgia	0	0	0	0	15	239	d	d	0	0
Hawaii	0	0	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	9	126	d	d	0	0
Illinois	0	0	d	d	23	459	0	0	0	0
Indiana	0	0	d	d	8	54	d	d	0	0
Iowa	0	0	25	119	d	d	d	d	d	d
Kansas	0	0	0	0	12	58	0	0	0	0
Kentucky	0	0	0	0	8	69	d	d	d	d
Louisiana	27	2,766	0	0	5	17	d	d	0	0
Maine	0	0	0	0	4	30	3	90	d	d
Maryland	0	0	0	0	14	187	d	d	0	0
Massachusetts	0	0	0	0	14	269	d	d	0	0
Michigan	0	0	0	0	14	241	d	d	d	d
Minnesota	0	0	0	0	9	134	d	d	d	d
Mississippi	20	1,398	0	0	d	d	d	d	0	0
Missouri	0	0	0	0	15	170	d	d	d	d
Montana	0	0	0	0	d	d	0	0	0	0
Nebraska	0	0	0	0	8	110	d	d	0	0
Nevada	0	0	0	0	0	0	d	d	d	d
New Hampshire	0	0	0	0	7	87	0	0	d	d
New Jersey	0	0	0	0	6	110	0	0	0	0
New Mexico	0	0	0	0	d	d	d	d	d	d
New York	0	0	0	0	15	470	3	209	0	0
North Carolina	0	0	0	0	16	384	0	0	0	0
North Dakota	0	0	0	0	19	97	4	233	0	0

Footnotes at end of table.

Table 10. New Money Long-Term, Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Selected bond purpose									
	Qualified Gulf Opportunity Zone exempt facility bonds, and Gulf Opportunity Zone mortgage bonds		Qualified Midwestern disaster area exempt facility bonds, and qualified Midwestern disaster area mortgage bonds		Recovery zone facility bonds		Qualified mortgage bonds		2008 Housing Act bonds issued under IRC section 143	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Ohio	0	0	0	0	26	488	d	d	0	0
Oklahoma	0	0	0	0	d	d	d	d	0	0
Oregon	0	0	0	0	4	154	d	d	0	0
Pennsylvania	0	0	0	0	24	84	d	d	d	d
Rhode Island	0	0	0	0	0	0	d	d	0	0
South Carolina	0	0	0	0	d	d	d	d	0	0
South Dakota	0	0	0	0	9	50	d	d	d	d
Tennessee	0	0	0	0	6	117	3	182	d	d
Texas	0	0	0	0	d	d	0	0	0	0
Utah	0	0	0	0	9	90	d	d	d	d
Vermont	0	0	0	0	6	102	d	d	d	d
Virginia	0	0	0	0	8	133	d	d	0	0
Washington	0	0	0	0	5	39	d	d	0	0
West Virginia	0	0	0	0	d	d	d	d	0	0
Wisconsin	0	0	26	165	16	124	d	d	0	0
Wyoming	0	0	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, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Selected bond purpose									
	Qualified small issue bonds		Qualified student loan bonds		Qualified hospital facilities		Qualified section 501(c)(3) nonhospital bonds		All other bonds, combined [3]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All States	335	578	13	863	249	11,710	983	16,202	25	2,252
Alabama	3	21	0	0	d	d	8	83	0	0
Alaska	0	0	0	0	0	0	d	d	0	0
Arizona	d	d	0	0	3	116	13	136	d	d
Arkansas	d	d	0	0	d	d	d	d	0	0
California	d	d	0	0	5	349	75	1,526	d	d
Colorado	d	d	0	0	4	401	21	280	d	d
Connecticut	0	0	d	d	11	309	9	647	0	0
Delaware	0	0	0	0	d	d	d	d	0	0
District of Columbia	0	0	0	0	0	0	12	373	0	0
Florida	d	d	0	0	10	460	44	955	0	0
Georgia	7	37	0	0	10	450	17	327	0	0
Hawaii	0	0	0	0	d	d	0	0	d	d
Idaho	0	0	0	0	d	d	d	d	0	0
Illinois	55	40	0	0	13	531	41	1,022	d	d
Indiana	d	d	0	0	8	253	15	189	0	0
Iowa	104	25	0	0	d	d	22	138	3	11
Kansas	20	3	0	0	3	119	15	133	0	0
Kentucky	d	d	0	0	9	579	12	63	0	0
Louisiana	0	0	0	0	d	d	14	325	d	d
Maine	0	0	d	d	0	0	d	d	0	0
Maryland	d	d	d	d	d	d	26	577	0	0
Massachusetts	6	26	0	0	11	520	57	1,085	d	d
Michigan	5	20	0	0	12	198	19	199	0	0
Minnesota	3	4	d	d	3	103	61	553	0	0
Mississippi	d	d	0	0	d	d	3	20	0	0
Missouri	16	15	0	0	3	232	14	287	0	0
Montana	0	0	0	0	d	d	8	103	0	0
Nebraska	d	d	0	0	5	94	12	116	0	0
Nevada	0	0	0	0	0	0	0	0	0	0
New Hampshire	0	0	0	0	d	d	9	111	0	0
New Jersey	3	6	d	d	7	393	26	766	0	0
New Mexico	0	0	0	0	d	d	d	d	0	0
New York	d	d	0	0	25	504	57	1,649	d	d
North Carolina	0	0	0	0	9	531	d	d	0	0
North Dakota	d	d	0	0	3	41	8	44	0	0

Footnotes at end of table.

Table 10. New Money Long-Term, Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Selected bond purpose									
	Qualified small issue bonds		Qualified student loan bonds		Qualified hospital facilities		Qualified section 501(c)(3) nonhospital bonds		All other bonds, combined [3]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Ohio	d	d	0	0	13	829	27	456	0	0
Oklahoma	0	0	0	0	0	0	d	d	0	0
Oregon	0	0	0	0	4	181	12	63	0	0
Pennsylvania	33	82	0	0	25	864	74	913	5	1
Rhode Island	3	15	d	d	d	d	5	63	0	0
South Carolina	d	d	0	0	3	346	15	130	0	0
South Dakota	5	2	0	0	d	d	4	27	0	0
Tennessee	d	d	0	0	3	227	31	236	0	0
Texas	d	d	4	348	6	790	45	1,112	7	1,398
Utah	d	d	0	0	0	0	5	21	0	0
Vermont	0	0	d	d	d	d	4	25	0	0
Virginia	5	10	0	0	4	378	35	386	0	0
Washington	8	7	0	0	5	358	17	131	d	d
West Virginia	0	0	0	0	0	0	10	216	0	0
Wisconsin	11	43	0	0	9	621	30	180	0	0
Wyoming	0	0	0	0	0	0	d	d	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 Form 8038, *Information 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

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

Municipal Bonds, 2010

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Table 11. Taxable Direct Payment Bonds Allowed Under the American Recovery and Reinvestment Act (ARRA), by Bond Purpose and Size of Entire Issue, 2010

[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		\$1,000,000 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]	2,586	126,230	326	170	661	1,811	409	2,876
Build America bond direct payment	2,037	120,098	264	132	459	1,260	284	1,973
Education	682	30,930	31	16	133	392	114	772
Health and hospital	70	3,883	d	d	16	46	d	d
Transportation	269	29,389	22	10	68	107	33	147
Public safety	208	2,272	50	16	42	83	29	113
Environment	242	8,018	27	12	72	143	26	122
Housing	30	461	d	d	d	d	3	19
Utilities	471	25,104	109	55	104	224	47	277
Bond and tax/revenue anticipation notes	7	229	0	0	d	d	d	d
Other purposes [3]	464	19,809	40	20	110	241	83	493
Recovery zone economic development bond direct payment	549	6,131	62	38	202	551	125	903
Capital expenditures related to property located in the zone	238	2,508	d	d	d	d	51	347
Public infrastructure and construction of public facilities	278	2,978	28	18	109	298	66	479
Other purposes [4]	44	645	d	d	d	d	11	77

Footnotes at end of table.

Table 11. Taxable Direct Payment Bonds Allowed Under the American Recovery and Reinvestment Act (ARRA), by Bond Purpose and Size of Entire Issue, 2010—Continued

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

Bond purpose	Size of entire issue					
	\$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
	(9)	(10)	(11)	(12)	(13)	(14)
Total [1, 2]	493	7,917	367	15,917	330	97,538
Build America bond direct payment	381	6,150	331	14,491	318	96,091
Education	169	2,533	142	5,856	93	21,361
Health and hospital	13	218	d	d	21	3,033
Transportation	35	361	32	1,200	79	27,564
Public safety	45	380	23	426	19	1,252
Environment	39	413	34	1,125	44	6,203
Housing	4	67	d	d	d	d
Utilities	60	871	69	2,875	82	20,802
Bond and tax/revenue anticipation notes	3	53	0	0	d	d
Other purposes [3]	97	1,255	62	2,276	72	15,524
Recovery zone economic development bond direct payment	112	1,767	36	1,426	12	1,447
Capital expenditures related to property located in the zone	57	878	d	d	3	320
Public infrastructure and construction of public facilities	52	809	16	669	7	705
Other purposes [4]	6	80	d	d	5	422

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] Includes bonds reported on Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*, as well as bonds reported on Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations*, with a specific reference to "Build America Bond direct payment" or "Recovery Zone Economic Development Bond" in either their issue name or other description. Data excludes returns specifically referencing "Build America Bond tax credit" in either their issue name or other description.

[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" refer to Build America Bonds for which a specific purpose either did not apply or was not clearly indicated on Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations* or Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*.

[4] "Other purposes" refer to Recovery Zone Economic Development Bonds for which a specific purpose either did not apply or was not clearly indicated on Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations* or Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*. Data combines bonds reported for "other purposes" and "job training and educational programs" to avoid disclosure of specific bonds.

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

Municipal Bonds, 2010

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Table 12. Taxable Direct Payment Bonds Allowed Under the American Recovery and Reinvestment Act (ARRA), by State of Issue and Bond Type, 2010

[Money amounts are in millions of dollars]

State of issue	All issues		Build America bond direct payment		Recovery zone economic development bond direct payment	
	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
All States [1]	2,586	126,230	2,037	120,098	549	6,131
Alabama	41	659	16	417	25	242
Alaska	23	291	9	207	14	84
Arizona	39	1,528	d	d	d	d
Arkansas	3	40	3	40	0	0
California	127	23,716	105	23,003	22	713
Colorado	59	2,622	d	d	d	d
Connecticut	21	1,211	15	1,128	6	83
Delaware	11	416	6	341	5	76
District of Columbia	12	1,130	d	d	d	d
Florida	75	3,763	62	3,491	13	272
Georgia	29	3,416	15	3,137	14	279
Hawaii	8	1,240	5	1,180	3	60
Idaho	14	169	14	169	0	0
Illinois	225	8,091	168	7,711	56	381
Indiana	43	1,528	26	1,459	17	69
Iowa	31	455	25	403	6	52
Kansas	28	418	21	369	7	48
Kentucky	113	1,697	107	1,641	6	56
Louisiana	24	570	d	d	d	d
Maine	13	115	7	92	6	23
Maryland	32	2,174	d	d	d	d
Massachusetts	16	2,902	12	2,718	4	184
Michigan	105	1,997	60	1,493	45	504
Minnesota	116	1,197	96	1,045	20	151
Mississippi	6	668	d	d	d	d
Missouri	161	2,284	120	2,059	41	224
Montana	d	d	d	d	0	0
Nebraska	54	752	47	676	7	77
Nevada	27	1,568	21	1,529	6	39
New Hampshire	7	225	d	d	d	d
New Jersey	31	5,269	21	5,109	10	160
New Mexico	10	257	d	d	d	d
New York	58	15,055	49	14,929	9	126
North Carolina	109	1,502	74	1,103	35	399
North Dakota	17	105	10	51	7	53
Ohio	144	6,803	96	6,474	48	330
Oklahoma	17	517	17	517	0	0
Oregon	21	1,235	10	1,143	11	93
Pennsylvania	78	3,706	64	3,648	14	58
Rhode Island	d	d	0	0	d	d
South Carolina	31	915	20	807	11	108
South Dakota	58	368	48	303	10	64

Footnotes at end of table.

Table 12. Taxable Direct Payment Bonds Allowed Under the American Recovery and Reinvestment Act (ARRA), by State of Issue and Bond Type, 2010

[Money amounts are in millions of dollars]

State of issue	All issues		Build America bond direct payment		Recovery zone economic development bond direct payment	
	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Tennessee	41	1,743	34	1,559	7	184
Texas	70	9,809	d	d	d	d
Utah	63	1,721	58	1,641	5	80
Vermont	16	172	d	d	d	d
Virginia	53	2,701	44	2,628	9	73
Washington	78	4,372	68	4,286	10	86
West Virginia	d	d	d	d	d	d
Wisconsin	206	1,546	190	1,484	16	62
Wyoming	7	178	4	129	3	49
U.S. Possessions [2]	8	1,193	d	d	d	d

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] Includes bonds reported on Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*, as well as bonds reported on Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations*, with a specific reference to "Build America Bond direct payment" or "Recovery Zone Economic Development Bond" in either their issue name or other description. Data excludes returns specifically referencing "Build America Bond tax credit" in either their issue name or other description.

[2] U.S. Possessions include Puerto Rico and the U.S. Virgin Islands.

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

Federal Estate Tax Returns Filed for Nonresident Aliens, 2009–2011

by Melissa J. Belvedere

The estate tax, which is one part of the Federal transfer tax system, is a tax on the right to transfer property at death. It applies to tangible and intangible assets of U.S. citizens, resident aliens, and nonresident aliens. A nonresident alien is a noncitizen of the United States who is not a lawful permanent resident and has not spent a substantial amount of time in the United States.¹

Estates of nonresident aliens who held more than \$60,000 in assets in the United States at their time of death are required to file Form 706-NA, *United States Estate (and Generation-Skipping Transfer) Tax Return, Estate of nonresident not a citizen of the United States*. Forms 706-NA are used to report U.S.-held assets and to compute estate tax liability. Returns filed in 2009, 2010, and 2011 were predominantly for estates of decedents who died between 2007 and 2010.

Background

The estates of nonresident aliens can be composed of many different types of property and assets. To be considered as part of the decedent's U.S. gross estate, tangible personal property and real property must be physically located in the United States. Different criteria apply to financial assets, such as stocks or debt obligations. Stock issued by U.S. corporations is included in the decedent's U.S. gross estate, as are debt obligations issued by a U.S. citizen, resident, business, trust, or Government organization. The executor may value the decedent's estate at the date of death or at a date up to 6 months after the date of death, if doing so reduces both the estate's value as well as the estate tax liability.

The United States maintains estate and gift tax treaties with 16 countries to minimize double taxation, which occurs when assets are taxed in both the U.S. and the decedent's home country.² Estates of decedents domiciled in treaty countries have options available to reduce their U.S. taxable estate and estate tax liability, which are unavailable to other estates. These options include greater unified credit amounts, different deductions, and changes to what constituted their U.S. gross estate. Because the

tax law applicable to decedents domiciled in, or who are a citizens of, treaty countries varies so greatly from the tax law applicable to the general population of nonresident alien decedents, the data from Forms 706-NA identified as treaty returns are presented separately from the data from regular (nontreaty) returns.

Form 706-NA Filing Population

The number of Forms 706-NA filed declined significantly in the 3-year period from 2009 to 2011, from 824 returns filed in 2009, to only 438 filed in 2011 (Figure A). This may have been the result of economic conditions during this time. Nontaxable returns made up an increasingly larger majority of all returns filed between 2009 and 2011, from 54.2 percent of the total returns in 2009 to 67.4 percent of the total in 2011. However, this overall percentage masks the different characteristics of treaty and nontreaty returns. Treaty returns, which comprised about three-quarters of all returns filed during this time, were mostly nontaxable. In 2009, some 67.6 percent of treaty returns were nontaxable; this percentage increased to 81.2 percent of treaty returns in 2011. In comparison, nontreaty returns were overwhelmingly taxable; more than 80 percent of nontreaty returns filed in were taxable.

When considered in terms of the sex of the decedent, the majority of returns were filed for male decedents (Figure B). The percentage of returns filed for the estates of male decedents remained essentially the same throughout the 3-year period. Returns were slightly more likely to be filed for female decedents residing in treaty countries than in nontreaty countries.

Total Gross Estate, Taxable Estate, and Net Estate Tax by Country of Domicile

Nontreaty returns filed in 2009 reported \$125.6 million in U.S. total gross estate, which is the total value of assets held in the United States, either at the time of death or at an alternative valuation date within 6 months thereafter (Figure C). The alternative valuation method is allowed in cases where the value of assets declined within 6 months of a decedent's death. This amount decreased a total of 63.1 percent over the next 2 years, to \$46.4 million in 2011. Some of the decrease is attributable to the decreasing number of returns filed between 2009 and 2011, which declined by 51.7 percent over the 3-year period. However, the mean amounts also decreased. The

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¹ These conditions are known as the "Green Card test" and the "substantial presence test," as described in IRS Publication 519, *U.S. Tax Guide for Aliens*.

² For Filing Years 2009, 2010, and 2011, the United States had reciprocal taxation treaties in effect with Australia, Austria, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Netherlands, Norway, South Africa, Switzerland, and the United Kingdom.

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Figure A

Number of Form 706-NA Returns, by Filing Year, Treaty Status, and Tax Status

Treaty status, tax status [1]	2009		2010		2011	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	824	100.0	625	100.0	438	100.0
Nontaxable	447	54.2	365	58.4	295	67.4
Taxable	377	45.8	260	41.6	143	32.6
All treaty returns	623	100.0	477	100.0	341	100.0
Nontaxable	421	67.6	338	70.9	277	81.2
Taxable	202	32.4	139	29.1	64	18.8
All nontreaty returns	201	100.0	148	100.0	97	100.0
Nontaxable	26	12.9	27	18.2	18	18.6
Taxable	175	87.1	121	81.8	79	81.4

[1] Tax status is determined by the balance (or refund) due as reported on the return. Taxable returns were those with estate tax liability after credits; nontaxable returns were those with no estate tax liability after credits.

NOTES: Detail may not add to totals due to rounding. Data have been altered to prevent disclosure of individual taxpayer information.

Figure B

Number of Form 706-NA Returns, by Filing Year, Treaty Status, and Sex of Decedent

Treaty status, sex of decedent	2009		2010		2011	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	824	100.0	625	100.0	438	100.0
Female	283	34.3	225	36.0	161	36.8
Male	541	65.7	400	64.0	277	63.2
All treaty returns	623	100.0	477	100.0	341	100.0
Female	220	35.3	177	37.1	128	37.5
Male	403	64.7	300	62.9	213	62.5
All nontreaty returns	201	100.0	148	100.0	97	100.0
Female	63	31.3	48	32.4	33	34.0
Male	138	68.7	100	67.6	64	66.0

NOTES: Detail may not add to totals due to rounding. Data have been altered to prevent disclosure of individual taxpayer information.

average total gross estate declined a total of 23.5 percent for the same period.

The total taxable estate, which is the value of the estate after expenses, charitable and marital deductions, and credits for State death taxes, also decreased between 2009 and 2011. From the total of \$89.3 million in taxable estate reported in 2009, the total decreased to \$46.2 million in 2010 and to only \$31.6 million in 2011. Unlike the mean amount of U.S. total gross estate, however, the average total taxable estate for all returns decreased be-

tween 2009 and 2010, but then increased for returns filed in 2011.

The net estate tax, which is the amount of tax liability based on the total taxable estate, after credits for foreign death taxes, taxes on prior transfers, and Federal gift taxes previously paid were subtracted from gross estate tax, also decreased between 2009 and 2011. From the total net estate tax of \$29.5 million reported in 2009, this amount decreased to \$8.4 million in 2011, an overall decrease of 71.3 percent. The average net estate tax

Federal Estate Tax Returns Filed for Nonresident Aliens, 2009–2011

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Figure C

Form 706-NA Nontreaty Returns Filed in 2009, 2010, and 2011: Number of Returns, U.S. Total Gross Estate, and Net Estate Tax, by Measures of Central Tendency

Measures of central tendency, tax status	2009				2010	
	Number of returns	U.S. total gross estate [1]	Taxable estate	Net estate tax	Number of returns	U.S. total gross estate [1]
	(1)	(2)	(3)	(4)	(5)	(6)
Total	201	125,572,730	89,325,255	29,415,102	148	73,785,104
Mean values:						
All returns	N/A	624,740	444,404	146,344	N/A	498,548
Taxable returns	N/A	579,641	506,098	168,086	N/A	400,459
Nontaxable returns	N/A	928,290	29,157	0	N/A	938,133
Median values:						
All returns	N/A	235,197	157,104	27,400	N/A	233,744
Taxable returns	N/A	235,197	202,000	42,440	N/A	217,500
Nontaxable returns	N/A	237,017	24,819	0	N/A	281,099
Measures of central tendency, tax status	2010—continued		2011			
	Taxable estate	Net estate tax	Number of returns	U.S. total gross estate [1]	Taxable estate	Net estate tax
	(7)	(8)	(9)	(10)	(11)	(12)
Total	46,183,083	12,395,908	97	46,383,671	31,646,465	8,428,630
Mean values:						
All returns	312,048	83,756	N/A	478,182	326,252	86,893
Taxable returns	353,634	102,446	N/A	386,218	363,774	106,692
Nontaxable returns	125,680	0	N/A	881,804	161,575	0
Median values:						
All returns	167,726	29,629	N/A	209,348	181,650	25,800
Taxable returns	196,605	40,713	N/A	199,260	190,659	37,880
Nontaxable returns	59,691	0	N/A	267,341	95,407	0

N/A—Not applicable.

[1] Gross estate is shown at the value used to determine estate tax liability. The value can be calculated either at the date of death or within 6 months thereafter (i.e., alternative valuation method). Total U.S. gross estate may not equal the sum of the detail, due to reporting discrepancies arising from different tax law interpretations.

NOTES: Detail may not add to totals due to rounding. Data have been altered to prevent disclosure of individual taxpayer information.

per taxable return decreased from \$168,086 in 2009 to \$102,446 in 2010, before increasing slightly to \$106,692 in 2011. In comparison, the median values for net estate tax were significantly less than the average values, but decreased in each subsequent year during this time for taxable returns.

Decedents with nontreaty Forms 706-NA were most frequently domiciled in Brazil, China, Israel, Mexico, Puerto Rico, Taiwan, or Venezuela at the time of death. Returns filed for the estates of decedents domiciled in these seven countries accounted for 56.3 percent and 62.2 percent of all nontreaty returns filed in 2009 and 2010, respectively, yet only 45.4 percent of all nontreaty returns

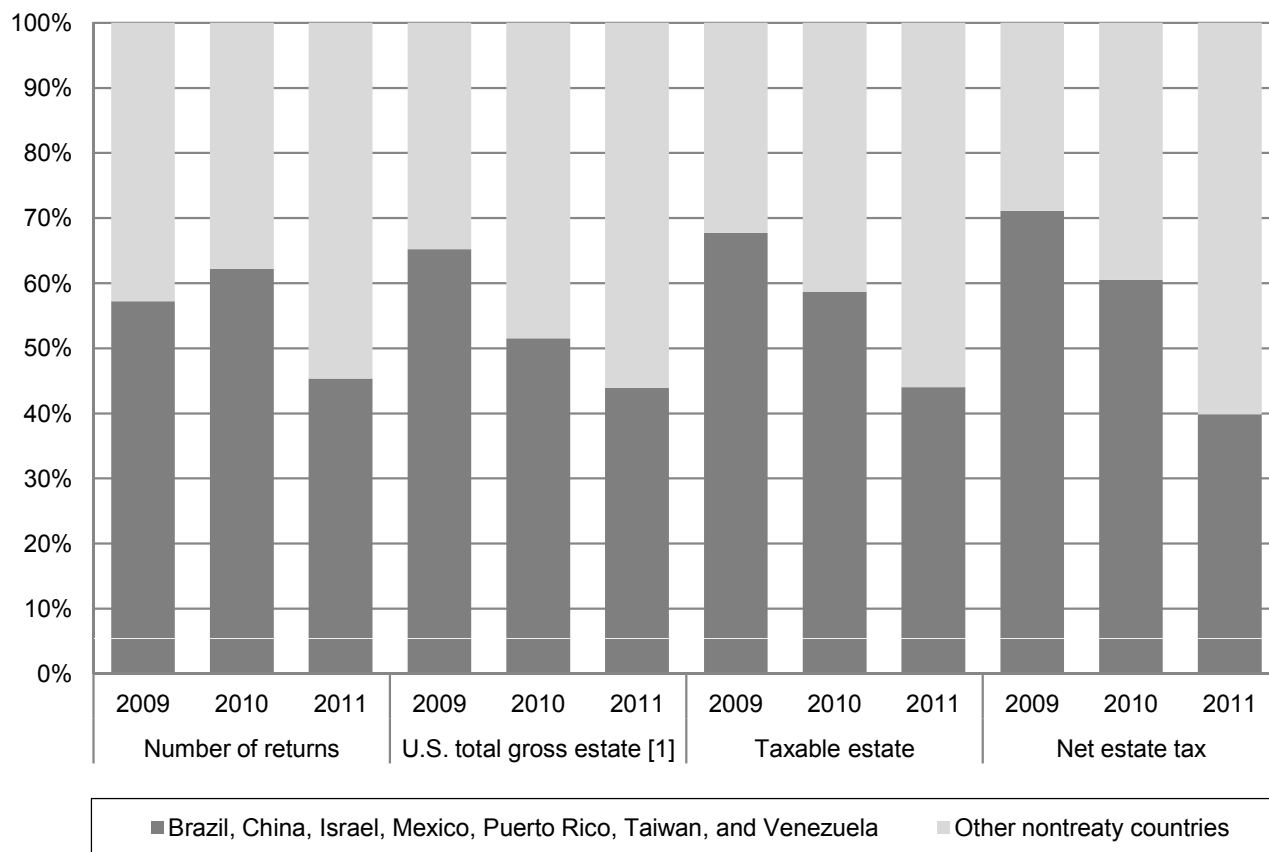
filed in 2011 (Figure D). These returns accounted for 65.2 percent of the total U.S. total gross estate reported on all nontreaty returns in 2009, yet decreased such that they amounted to only 43.9 percent in 2011. The percentage of both the total taxable estate and net estate tax reported on these returns followed a similar pattern. In 2009, approximately 67.8 percent of all taxable estate was attributable to these returns; this percentage decreased to only 44.0 percent of the total in 2011. In 2009, these returns accounted for 71.1 percent of the total net estate tax reported, declining to only 39.9 percent of the total net estate tax reported in 2011. Of the most frequently represented countries listed above, in 2009, the majority

Federal Estate Tax Returns Filed for Nonresident Aliens, 2009–2011

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Figure D

Form 706-NA Nontreaty Returns Filed in 2009, 2010, and 2011: Percentage of Selected Items Attributable to Selected Domicile at Death



[1] Gross estate is shown at the value used to determine estate tax liability. The value can be calculated either at the date of death or within 6 months thereafter (i.e., alternative valuation method). Total U.S. gross estate may not equal the sum of the detail, due to reporting discrepancies arising from different tax law interpretations.

of U.S. total gross estate, taxable estate, and net estate tax was reported on returns for decedents domiciled in Mexico, followed by Brazil and China (Figure E).

The total amount of U.S. total gross estate reported on treaty status returns filed in 2009 was \$247.9 million (Figure F). This amount decreased a total of 56.7 percent over 3 years. As with nontreaty returns, the declining number of treaty returns filed likely contributed to this decrease as, overall, treaty return filings fell by 45.3 percent between 2009 and 2011. However, the average amount of total gross estate reported on each return also decreased over the same time. In 2009, the average

total gross estate for all returns was \$397,961; in 2011, the average was \$314,818. The average total gross estate was greater on taxable returns than nontaxable returns for all years.

The total taxable estate amount reported on treaty returns was \$180.4 million in 2009, but declined 51.4 percent to \$87.6 million in 2011. However, while the average taxable estate amount decreased from 2009 to 2010, it then increased in 2011.

The total amount of net estate tax reported on treaty status returns decreased 71.0 percent from 2009 to 2011. While the average amount of net estate tax reported on all

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Figure E

Form 706-NA Nontreaty Returns Filed in 2009, 2010, and 2011: U.S. Total Gross Estate and Net Estate Tax, by Selected Domicile at Death

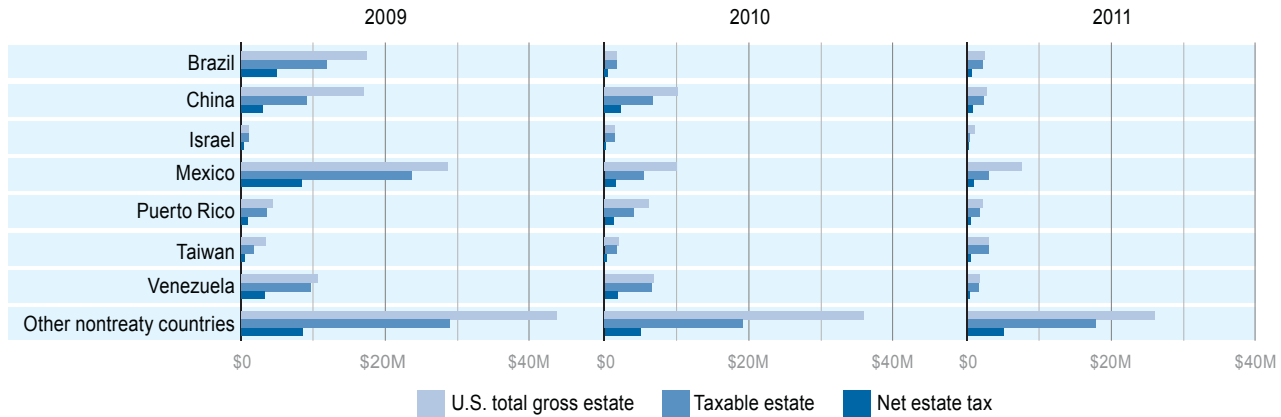


Figure F

Form 706-NA Treaty Returns Filed in 2009, 2010, and 2011: Number of Returns, U.S. Total Gross Estate, and Net Estate Tax, by Measures of Central Tendency

Measures of central tendency, tax status	2009				2010	
	Number of returns	U.S. total gross estate [1]	Taxable estate	Net estate tax	Number of returns	U.S. total gross estate [1]
	(1)	(2)	(3)	(4)	(5)	(6)
Total	623	247,929,750	180,351,306	23,654,243	477	155,987,614
Mean values:						
All returns	N/A	397,961	289,488	37,968	N/A	327,018
Taxable returns	N/A	563,610	505,135	117,100	N/A	399,909
Nontaxable returns	N/A	318,481	186,019	0	N/A	297,042
Median values:						
All returns	N/A	175,500	135,000	0	N/A	149,900
Taxable returns	N/A	279,472	246,301	31,961	N/A	171,750
Nontaxable returns	N/A	153,350	95,000	0	N/A	140,737
Measures of central tendency, tax status	2010—continued		2011			
	Taxable estate	Net estate tax	Number of returns	U.S. total gross estate [1]	Taxable estate	Net estate tax
	(7)	(8)	(9)	(10)	(11)	(12)
Total	114,350,263	12,330,467	341	107,352,887	87,634,620	6,852,468
Mean values:						
All returns	239,728	25,850	N/A	314,818	256,993	20,095
Taxable returns	367,552	88,708	N/A	499,574	467,700	107,070
Nontaxable returns	187,161	0	N/A	272,130	208,310	0
Median values:						
All returns	114,159	0	N/A	148,932	132,034	0
Taxable returns	168,000	24,963	N/A	175,010	164,090	29,435
Nontaxable returns	95,562	0	N/A	143,352	122,796	0

N/A—Not applicable.

[1] Gross estate is shown at the value used to determine estate tax liability. The value can be calculated either at the date of death or within 6 months thereafter (i.e., alternative valuation method). Total U.S. gross estate may not equal the sum of the detail, due to reporting discrepancies arising from different tax law interpretations.

NOTES: Detail may not add to totals due to rounding. Data have been altered to prevent disclosure of individual taxpayer information.

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returns decreased during this period, the average amount of net estate tax reported on taxable treaty status returns decreased from 2009 to 2010, before increasing in 2011. As with nontreaty returns, the median value followed the same trend, decreasing in 2010 before increasing again in 2011, but was significantly less than the corresponding mean.

The countries of domicile most frequently represented among treaty status returns filed during 2009, 2010, and 2011, were Canada, France, Germany, Japan, and the United Kingdom. Returns filed for decedents domiciled in these five countries accounted for between 83.6 and 87.5 percent of all treaty status returns filed annually for the 3-year period (Figure G). The amount of U.S. total gross estate reported on these returns accounted for approximately 79.8 percent of the total for all treaty returns in 2009. This percentage increased slightly in 2010 before decreasing to only 72.3 percent of the total in 2011. The percentage of taxable estate and net estate

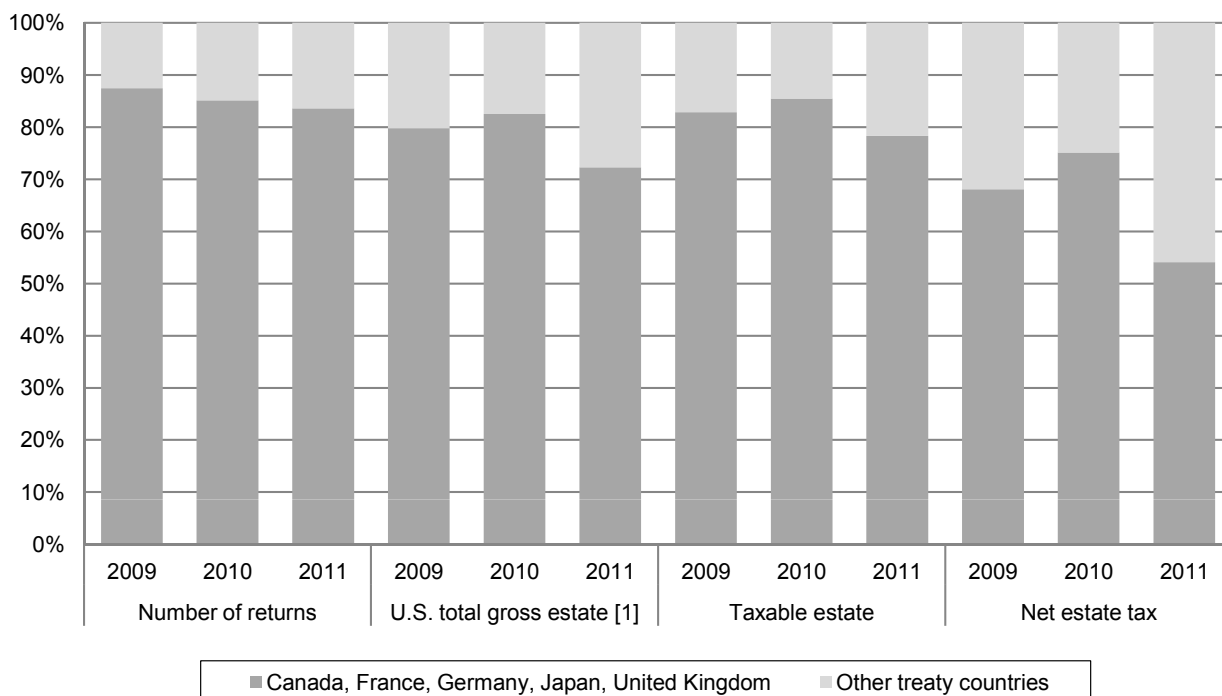
tax attributable to these returns followed the same pattern as for U.S. total gross estate, increasing slightly between 2009 and 2010, only to decrease in 2011. Of the countries mentioned above, returns for Canadian decedents reported the greatest amount of U.S. total gross estate and taxable estate, followed by those from the United Kingdom, Germany, and Japan (Figure H). Returns filed by the estates of decedents domiciled in Japan tended to report the greatest amount of net estate tax.

U.S.-Based Assets

The amount of U.S. assets reported on Forms 706-NA can differ from the amount of U.S. total gross estate due to various reporting inconsistencies. While Form 706-NA requires the decedent's U.S. total gross estate and U.S.-based assets to be reported, in some instances the decedent's assets are not subject to taxation. It is not uncommon to have a detailed breakout of the decedent's assets on supporting schedules and documentation, but

Figure G

Form 706-NA Treaty Returns Filed in 2009, 2010, and 2011: Percentage of Selected Items Attributable to Selected Domicile at Death



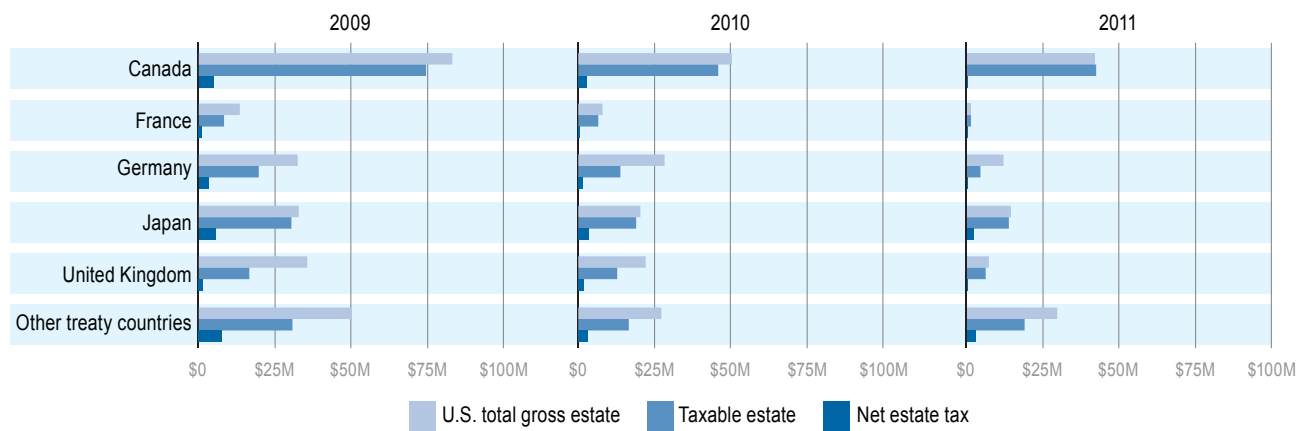
[1] Gross estate is shown at the value used to determine estate tax liability. The value can be calculated either at the date of death or within 6 months thereafter (i.e., alternative valuation method). Total U.S. gross estate may not equal the sum of the detail, due to reporting discrepancies arising from different tax law interpretations.

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Figure H

Form 706-NA Treaty Returns Filed in 2009, 2010, and 2011: U.S. Total Gross Estate and Net Estate Tax, by Selected Domicile at Death



then report \$0 in U.S. total gross estate on the form itself. While this situation occurs on both nontreaty and treaty returns, often a result of the way title to the assets is held, the situation is more pronounced on treaty returns due to treaty provisions. The amount of U.S.-based assets is an accurate representation of the value of the assets held (valued either at death or at an alternative date), regardless of the taxability of the assets.

The amount of U.S.-based assets reported on nontreaty returns was \$127.9 million in 2009, compared to \$75.1 million in 2010, and \$47.6 million in 2011. These amounts are slightly more than the amount of U.S. total gross estate for each corresponding year. Real estate assets and stock accounted for the majority of the value of the assets every year (Figure I). However, in 2009 and 2011 real estate made up the highest share of assets (57.2 percent and 44.9 percent, respectively), while in 2010 stock contributed the greatest asset amount (39.3 percent). Cash assets accounted for approximately 12.2 percent of the total in 2010, compared to less than 10.0 percent in 2011.

The amount of U.S.-based assets reported on treaty status returns was \$353.2 million in 2009, some \$191.5 million in 2010, and \$123.2 million in 2011. These amounts represented 42.5 percent, 22.8 percent, and 14.8 percent differences, respectively, from the amount of U.S. total gross estate for the corresponding years. As with nontreaty returns, real estate and stock accounted for the majority of the total asset value, and the percentage of the total asset value attributable to each type of asset

increased between 2009 and 2011 (Figure J). Similarly, the percentage of the total asset value held in bonds increased significantly over the 3-year period. In comparison, “other assets,” defined as those assets not specifically included in any of the other categories (such as art, farm asset or farm land, hedge or private equity funds, and non-corporate business assets), made up 28.8 percent of the total asset value in 2009, but declined to only 8.1 percent of the total in 2011.

Summary

Forms 706-NA are filed by the estates of nonresident alien decedents to report assets held in the U.S. at the time of death and to calculate tax liability. There were 824 Forms 706-NA filed in 2009, although this number dropped sharply in subsequent years. The majority of returns filed were from decedents domiciled in treaty countries, and most returns were nontaxable (although nontreaty returns were overwhelmingly taxable). Most decedents were male, regardless of treaty or tax status. The total amount of U.S. total gross estate, taxable estate, and net estate tax declined over the 3-year period. Some of the cause of the decline is attributable to the decreasing number of returns filed; however, the corresponding mean values also decreased. For all returns, the majority of assets held were real estate and stock.

Data Sources and Limitations

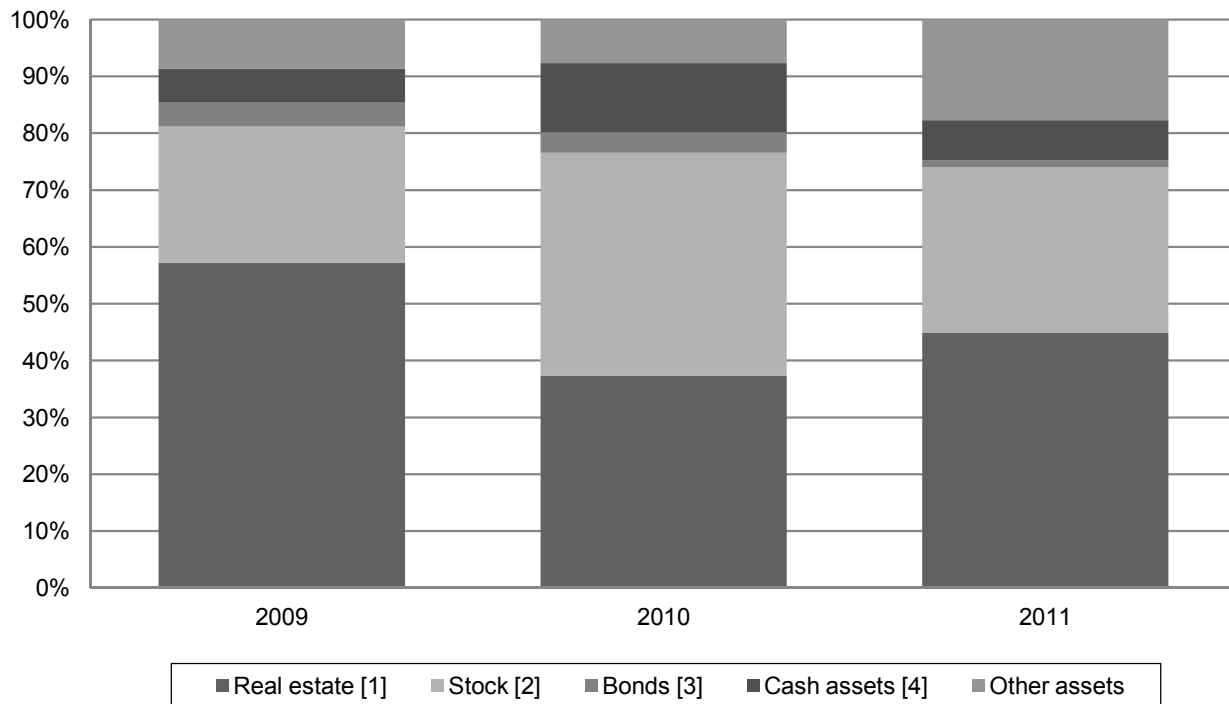
Since 1995, SOI has conducted an annual study of Federal estate tax returns filed for nonresident aliens

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Figure I

Form 706-NA Nontreaty Returns: Composition of U.S.-Held Assets, 2009–2011



[1] "Real estate" includes the value of all real estate, real estate partnerships, mutual funds comprising primarily real estate, and real estate investment trusts (REITs).

[2] "Stock" includes corporate stock, stock in closely held corporations, mutual funds comprising mainly stock, as well as futures, options, puts and calls.

[3] "Bonds" includes Federal, State, and local Government bonds, as well as mutual funds comprising primarily these types of bonds.

[4] "Cash assets" includes cash, cash management accounts, other banking- or checking-type accounts held in brokerage accounts, as well as mortgages and notes.

(Forms 706-NA). Demographic, financial, and asset information were extracted from the population of non-rejected Forms 706-NA filed during 2009, 2010, and 2011. Returns could be rejected for having gross U.S. assets below the filing threshold; having too many reporting errors to edit; being incomplete, amended, or tentative; or having been previously edited for SOI. The amounts shown are pre-audit population figures.

Explanation of Selected Terms

All other assets—Includes items that cannot be assigned to one of the other asset categories, such as precious metals and household or personal items like furniture, clothing, jewelry, and automobiles.

Bonds—Includes Federal, State, and local Government bonds, as well as mutual funds comprising primarily these types of bonds.

Cash assets—Includes cash, cash management accounts, other banking- or checking-type accounts held in brokerage accounts, as well as mortgages and notes.

Gross estate tax—The gross estate tax is calculated by applying the graduated tax rates to the decedent's adjusted taxable estate, reduced by the amount of Federal gift taxes previously paid. It is a tentative tax amount, before any credits are taken into account to reduce the amount.

Mixed mutual funds—This category comprises funds containing assets not identified. Therefore, this category may include stock, bonds, and other types of assets all held in mutual funds.

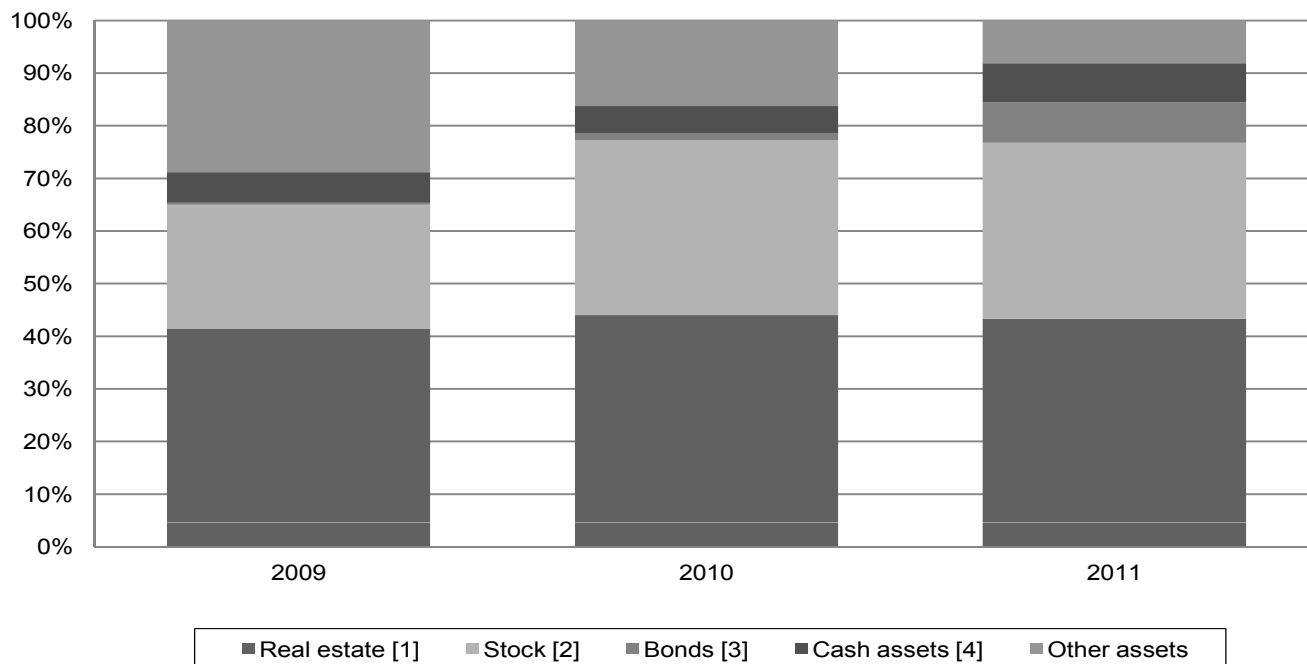
Net estate tax—The estate's tax liability after credits for State death taxes, foreign death taxes, tax on prior transfers, and Federal gift taxes previously paid were subtracted from gross estate tax. In addition to these

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Figure J

Form 706-NA Treaty Returns: Composition of U.S.-Held Assets, 2009–2011



[1] "Real estate" includes the value of all real estate, real estate partnerships, mutual funds comprising primarily real estate, and real estate investment trusts (REITs).

[2] "Stock" includes corporate stock, stock in closely held corporations, mutual funds comprising mainly stock, as well as futures, options, puts and calls.

[3] "Bonds" includes Federal, State, and local Government bonds, as well as mutual funds comprising primarily these types of bonds.

[4] "Cash assets" includes cash, cash management accounts, other banking- or checking-type accounts held in brokerage accounts, as well as mortgages and notes.

credits, a "unified credit," graduated according to the year of death and a "credit" for gift taxes paid on post-1976 gifts, is allowed (see also "unified credit").

Real estate—Real estate includes the value of all real estate, real estate partnerships, mutual funds composed primarily of real estate assets, as well as real estate investment trusts (REITs).

Real property—Real property is defined as land, property directly attached to land (such as buildings), or natural resources such as oil, gas, or timber. Both rental and residential property are considered real property.

State death tax deduction—Decedents who died in 2005 or later are allowed a deduction for estate, legacy, or succession taxes actually paid to any State or the District of Columbia as a result of the decedent's death.

Stock—Stock includes corporate stock, stock in closely held corporations, mutual funds composed mostly of stock, as well as futures, options, puts, and calls.

Tax status—Returns can be either taxable or nontaxable, as determined by the balance (or refund) due. Taxable returns were those with estate tax liability after credits; nontaxable returns were those with no estate tax liability after credits.

Taxable estate—Taxable estate is the base to which the graduated Federal estate tax rates are applied in computing the estate tax before credits. Taxable estate is equal to the value of the U.S. total gross estate less deductions for the following: funeral and administrative expenses (prorated by the amount of the estate located within the U.S.); debts, mortgages, and other claims

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against the estate (also prorated by the amount of the estate located within the U.S.); charitable deductions; and marital deductions.

Total gross estate, U.S. estate tax purposes—The value of all assets held within the U.S. Assets may be valued at the date of death, or at an alternative date up to 6 months thereafter (the alternative value).

Treaty countries—The United States maintains reciprocal taxation treaties with the some countries in order

to reduce or eliminate the effects of double taxation. For Filing Years 2009 through 2011, there were treaties in effect with the following countries: Australia, Austria, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Netherlands, Norway, South Africa, Switzerland, and the United Kingdom. The decedent must have been either domiciled in, or been a citizen of, one of these countries to qualify for the tax protections under the treaty.

International Boycott Reports, 2009 and 2010

by Melissa Costa

For Tax Year 2009, some 160 “U.S. persons” received about 3,500 requests to participate in boycotts unsanctioned by the United States, compared to 132 U.S. persons receiving about 3,200 requests in Tax Year 2010.¹ Those receiving requests composed 8.0 percent of the 1,995 U.S. persons who reported operations in, with, or related to countries known to participate in unsanctioned boycotts in 2009 and 5.7 percent of the 2,329 U.S. persons reporting such operations for 2010. Of those receiving requests, 28 agreed to participate in 2009 and 25 agreed in 2010. Just 19 U.S. persons reported tax consequences for 2009, and only 16 reported any for 2010.

Operations

Taxpayers file Form 5713, *International Boycott Report*, with their Federal income tax returns to report operations in countries known to participate in boycotts not condoned by the United States. For 2009 and 2010, corporations made up at least 85 percent of filers, while partnerships accounted for another 10 percent. Trusts, estates, and individuals accounted for most of the remainder.

More than 97 percent of these U.S. taxpayers reported operations in countries on the list of known boycotting countries maintained by the U.S. Department of Treasury. For 2009 and 2010, the list included Kuwait, Lebanon, Libya, Qatar, Saudi Arabia, Syria, the United Arab Emirates, and Yemen. These countries are known to participate in boycotts of Israel. While the anti-boycott laws target any boycotts not sanctioned by the United States, only about 3 percent of filers reported having operations in countries known to participate in boycotts of a country other than Israel in either year.

Types of Boycotts

Because the United States does not wish to infringe upon the right of any country to choose its own trading partners, the anti-boycott laws do not target primary boycotts, i.e., restrictions on the importation of goods and services originating in the boycotted country into the boycotting countries. Instead, anti-boycott laws are directed against secondary and tertiary boycotts. An example of such a

boycott would be an agreement as condition of doing business directly or indirectly within a country, or with the Government, company, or national of the country, to refrain from doing business with or in a country that is the object of the boycott, or with the Government, companies, or nationals, of that country.

Countries Issuing Boycott Requests

Figure A displays the number of persons receiving requests, number of requests received, and number of agreements, by boycotting country, for 2009 and 2010. Persons from Treasury-listed nations submitted about 81 percent of all boycott requests for both tax years. Entities from the United Arab Emirates made up the largest percentage of these requests, accounting for 42.3 percent in 2009 and 35.4 percent in 2010. Over 90 percent of the total number of boycott agreements for both tax years originated from entities in Treasury-listed countries. Entities in the United Arab Emirates made up the largest percentage of these agreements, accounting for 35.9 percent in 2009 and 57.1 percent in 2010.

The number of persons receiving boycott requests declined almost 18 percent between 2009 and 2010, while the number of requests issued by foreign persons decreased 9.5 percent, from 3,481 in 2009 to 3,152 in 2010. Requests from Yemeni persons had the largest change, with a drop of nearly 58 percent, from 186 to 79 requests. Requests from Syrian persons also fell substantially (down 34.6 percent), from 237 to 155. However, boycott requests from persons in the United Arab Emirates rose 8.0 percent, from 1,233 requests in 2009 to 1,332 requests in 2010. The most notable change in the number of requests from countries not on the Treasury list was the 29-percent decrease from Pakistani entities. Boycott requests from these entities fell from 207 in 2009 to 147 in 2010 (Figure B).

Tax Penalties

U.S. taxpayers who participated in an unsanctioned boycott may lose their right to claim the foreign tax credit, as well as the tax deferral available to U.S. shareholders of controlled foreign corporations (CFCs) and shareholders of Interest-Charge Domestic International Sales Corporations (IC-DISCs).^{2,3} Taxpayers who had operations in a boycotting country were required to reduce the amount of foreign trade income qualifying for the

Melissa Costa is an economist with the Special Studies Returns Analysis Section. This data release was prepared under the direction of Chris Carson, Chief.

¹ As defined in Internal Revenue Code section 7701(a)(30), U.S. persons are U.S. citizens or residents, domestic partnerships, domestic corporations, and estates or trusts. This excludes foreign trusts or estates whose income from sources outside the United States is not includible in the income of their beneficiaries.

² A foreign corporation is considered to be a CFC if (on any day during the foreign corporation's tax year) 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. For more information on CFCs, see Mahoney, Lee, and Miller, Randy, “Controlled Foreign Corporations, 2008,” *SOI Bulletin*, Winter 2013, Volume 32, Number 3, pp. 169-235.

³ To elect IC-DISC status, a domestic corporation must have “qualified export receipts” that constitute at least 95 percent of its gross receipts and must be able to classify at least 95 percent of its assets as “qualified export assets.” Qualified export receipts are gross receipts from the sale of qualified export assets and other types of income related to exporting. Qualified export assets consist of property related to exporting. For more information on IC-DISCs, see Holik, Daniel, “Interest-Charge Domestic International Sales Corporations, Tax Year 2008,” *SOI Bulletin*, Summer 2011, Volume 31, Number 1, pp. 116-139.

Figure A

International Boycott Reports: Number of Persons Receiving Requests, Number of Requests Received, and Number of Agreements, by Boycotting Country, Tax Years 2009–2010

Country	Number of U.S. persons receiving requests [1]		Number of boycott requests received [2]		Number of boycott agreements		Boycott agreements as a percentage of requests received	
	2009	2010	2009	2010	2009	2010	2009	2010
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All countries	160	132	3,481	3,152	604	629	17.4	20.0
Treasury-listed countries	141	118	2,824	2,561	567	568	20.1	22.2
Kuwait	27	35	225	202	36	29	16.0	14.4
Lebanon	19	27	219	159	80	58	36.5	36.5
Libya	32	33	280	295	15	13	5.4	4.4
Qatar	39	38	219	167	8	11	3.7	6.6
Saudi Arabia	37	41	225	172	90	78	40.0	45.3
Syria	18	20	237	155	82	9	34.6	5.8
United Arab Emirates	97	75	1,233	1,332	217	359	17.6	27.0
Yemen, Republic of	13	14	186	79	39	11	21.0	13.9
Nonlisted countries	60	55	657	591	37	61	5.6	10.3

[1] Data in these columns may not add to totals because a person could have received requests from more than one country.

[2] The number of requests are undercounted to the extent that many taxpayers do not specify the number of requests they received. This table counts an unknown number of requests as one request.

extraterritorial income exclusion, even if they did not participate in a boycott.⁴

Taxpayers must use the “international boycott factor method” to compute the reduction of extraterritorial income exclusion. For the denial of other tax benefits, such as the foreign tax credit, taxpayers may use either the international boycott factor method or the “specifically attributable method.” Under the international boycott factor method, the taxpayer’s ratio of purchases, sales, and payroll in boycotting countries to the taxpayer’s total foreign purchases, sales, and payroll determines the loss of the tax benefit. Taxpayers who use this method reduce their foreign tax credit by the same proportion as this ratio, which is called the boycott factor. Under the specifically attributable method, taxpayers reduce each benefit by the amount of foreign taxes paid or foreign income earned that is directly associated with their operations in the boycotting countries. Under both methods, shareholders of CFCs or IC-DISCs must convert some of the income earned in a boycotting country into a “deemed distribution,” thereby subjecting the earnings to U.S. tax. Regardless of the method selected, taxpayers may elect to treat the amount of taxes ineligible for the foreign tax credit under the boycott provisions as a

Figure B

Changes in Boycott Requests, by Boycotting Country, Tax Years 2009–2010

Country	Number of boycott requests received [1]		Percentage change in number of requests from 2009 to 2010
	2009	2010	
	(1)	(2)	(3)
All countries	3,481	3,152	-9.5
Treasury-listed countries	2,824	2,561	-9.3
Kuwait	225	202	-10.2
Lebanon	219	159	-27.4
Libya	280	295	5.4
Qatar	219	167	-23.7
Saudi Arabia	225	172	-23.6
Syria	237	155	-34.6
United Arab Emirates	1,233	1,332	8.0
Yemen, Republic of	186	79	-57.5
Nonlisted countries	657	591	-10.0
Bahrain	58	52	-10.3
Bangladesh	77	72	-6.5
Pakistan	207	147	-29.0
Other nonlisted countries	315	320	1.6

[1] Requests are undercounted to the extent that many taxpayers do not specify the number of requests they received. This figure counts an unknown number of requests as one request.

⁴ This exclusion allowed businesses to deduct qualifying foreign trade income from their U.S. gross incomes. Qualifying foreign trade income was defined as the greatest of the following income amounts that when excluded would reduce taxable income by (1) 1.2 percent of foreign trading gross receipts, (2) 15 percent of foreign trade income, or (3) 30 percent of foreign sales and leasing income.

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deduction from their U.S. gross incomes to calculate their U.S. tax liabilities.

The boycott reduction in the extraterritorial income exclusion has continually declined from its peak of \$1,678,097 (in constant 2010 dollars) for 2005 due to the gradual repeal of this provision included in the American Jobs Act of 2004. Figure C shows the tax consequences reported for the past 10 years, in constant 2010 dollars, by method of computation. For Tax Years 2009 and 2010, the loss of this benefit cannot be disclosed due to the small number of taxpayers affected.

For 2009, taxpayers reduced their U.S. foreign tax credit by \$151,581 (in constant 2010 dollars) using the

international boycott factor and their foreign taxes eligible for the foreign tax credit by \$420,793 using the specifically attributable method. By comparison, the total foreign tax credit for corporations filing for 2009 was over \$93 billion.⁵ U.S. taxpayers also reported a total increase of \$7,207,603 (in constant 2010 dollars) to their taxable incomes from CFCs for Tax Year 2009 due to boycott participation.

Tax consequences using the international boycott factor cannot be disclosed for 2010 due to the small number of taxpayers claiming them. U.S. taxpayers reduced their foreign taxes eligible for the foreign tax credit for 2010 by \$517,371 using the specifically attributable

Figure C

International Boycott Reports: Lost Tax Benefits, by Type and Method of Computation, 2001–2010

[Money amounts are in whole dollars]

Method of computation and calendar or tax year [1]	Reduction of foreign taxes eligible for credit or foreign tax credit [2]	Increase of Subpart F income [2]	Denial of IC-DISC benefits [2]	Reduction of extraterritorial income exclusion [2]
	(1)	(2)	(3)	(4)
Boycott factor method:				
2001	0	0	0	0
2002	6,840	404,496	0	315,644
2003	4,766	42,029	0	344,141
2004	11,553	219,696	0	611,277
2005	8,442	255,205	0	1,678,097
2006	6,143,900	247,735	0	595,907
2007	71,902	101,822	0	193,226
2008	17,009	53,716	0	6,959
2009	151,581	1,462,919	0	d
2010	d	d	0	d
Specifically attributable taxes and income method:				
2001	10,594	2,385,454	0	0
2002	837,925	6,220,812	0	0
2003	630,728	2,100,695	0	0
2004	748,956	3,469,613	0	0
2005	911,664	3,281,573	0	0
2006	792,916	12,661,235	0	0
2007	1,487,115	3,696,365	d	0
2008	2,036,253	8,021,258	d	0
2009	420,793	5,744,684	0	0
2010	517,371	14,714,394	0	0

d—Data deleted to avoid disclosure of information about specific taxpayers.

[1] The data were based on calendar years for 2001–2006 and tax years for all subsequent years. Calendar years run from January 1 to December 31. Tax years run from July 1 to June 30.

[2] Money amounts have been adjusted for inflation to constant 2010 dollars using the Consumer Price Index.

⁵ U.S. Department of Treasury, Internal Revenue Service, *Statistics of Income—2009, Corporation Tax Returns, 2011*.

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method, while increasing their taxable incomes from CFCs by \$14,714,394.

Summary

About 8 percent of the U.S. taxpayers reporting operations in countries known to participate in an unsanctioned international boycott received boycott requests for 2009, while fewer than 6 percent received boycott requests for 2010. For both years, more of these requests came from persons in the United Arab Emirates than from any other country. Overall, the number of requests decreased by nearly 10 percent, while requests from entities in Yemen dropped by almost 58 percent. Less than 1 percent of taxpayers who

had operations in countries known to participate in boycotts not sanctioned by the U.S. agreed to participate in such a boycott in 2009 and 2010, and less than 20 U.S. persons lost tax benefits for each year. The total loss of tax benefits remains a very small percentage of the total tax benefits claimed by all filers.

Data Sources and Limitations

Data for the 2009 and 2010 studies were based on the population of Forms 5713, *International Boycott Report*, attached to U.S. income tax returns with accounting periods ending between July 1 of the study year and June 30 of the subsequent year.

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, 1111 Constitution Avenue, NW, K-Room 4112, Washington, DC 20224-0002

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 processing 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 and outliers. 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 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

Sample returns are designated by computer from the IRS Master Files based on the taxpayer identification number.

Sampling Methodology and Data Limitations

In transcribing and tabulating data from tax returns, checks are imposed to improve the quality of the statistics.

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:

$$\begin{array}{ll} 150,000 & \text{(sample estimate)} \\ \times 0.02 & \text{(coefficient of variation)} \\ = 3,000 & \text{(standard error of estimate)} \end{array}$$

then:

$$\begin{array}{ll} 150,000 & \text{(sample estimate)} \\ + \text{ or } - 3,000 & \text{(standard error)} \\ = \{147,000, 153,000\} & \text{(68-percent confidence interval).} \end{array}$$

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 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,

Sampling Methodology and Data Limitations

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

Project name and contact	Program content and frequency	Program year	End of tax year	Close of filing period	Close of filing period (with extensions)	Close of sampling period	Date of public release
Bonds, Tax Exempt: 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.	2011	N/A	N/A	N/A	December 2012	July 2013
Corporations, Foreign Tax Credit: 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.	2010	June 2011	September 2011	March 2012	June 2012	August 2013
Corporations, Interest-Charge Domestic International Sales: 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.	2010	June 2011	September 2011	March 2012	June 2012	June 2013
Corporations, Source Book: Bill Rush	This annual publication 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.	2011	June 2012	September 2012	March 2013	June 2013	December 2013
Corporations, U.S. Controlled Foreign: 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.	2010	June 2011	September 2011	March 2012	June 2012	December 2013
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).	2012	N/A	N/A	N/A	December 2012	October 2013
Estate Tax, Nonresident Alien: 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.	2012	N/A	N/A	N/A	December 2012	August 2013
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.	2012	N/A	N/A	N/A	December 2012	October 2013

SOI Projects, Contacts, and Public Release Information

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov

Project name and contact	Program content and frequency	Program year	End of tax year	Close of filing period	Close of filing period (with extensions)	Close of sampling period	Date of public release
Individuals, Advance Data: Scott Hollenbeck; Maureen Keenan Kahr; Michael Parisi; Karen Turnbull-Saunders	This annual study provides information on income, deductions, taxes, and credits reported on individual income tax returns and associated schedules. The file contains information on returns filed through Cycle 38 weighted up to represent a full year of data.	2012	December 2012	April 2013	October 2013	September 2013	February 2014
Individuals, Complete Report File: Scott Hollenbeck; Maureen Keenan Kahr; Michael Parisi; Karen Turnbull-Saunders	This annual study provides information on income, deductions, taxes, and credits reported on individual income tax returns and associated schedules.	2011	December 2011	April 2012	October 2012	December 2012	August 2013
Individuals, Complete Report Tabulations: Michael Parisi; Justin Bryan	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, age, or type of tax computation.	2011	December 2011	April 2012	October 2012	December 2012	August 2013
Individuals, County Income: Kevin Pierce	County or State income data are available annually.	2011	December 2011	April 2012	October 2012	December 2012	September 2013
Individuals, Foreign Income Tax: Scott Hollenbeck; Maureen Keenan Kahr	This periodic study is conducted every 5 years. It covers foreign-earned income, foreign-earned exclusion, foreign housing exclusion, foreign income, foreign taxes paid, and foreign tax credit shown on individual income tax returns. Data are classified by size of adjusted gross income and country.	2011	December 2011	April 2012	October 2012	December 2012	May 2014
Individuals, Foreign Person's Real Property Tax: Scott Luttrell	This annual study provides data on distributions of U.S. real property interests by foreign persons.	2010	December 2010	April 2011	October 2011	September 2012	June 2013
Individuals, Income Tax Percentile Tabulations: Michael Parisi; Tony Hall	This annual study provides data on income and tax distribution for all nondependent individual income tax returns by percentiles.	2011	December 2011	April 2012	October 2012	December 2012	October 2013
Individuals, Mid-July Filing Season Statistics: Barry Johnson	Number of returns, total income, total tax and share of income composed of capital gains, by AGI category, reported through week 30 of the processing season.	2013	December 2013	N/A	N/A	N/A	August 2013

SOI Projects, Contacts, and Public Release Information

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov

Project name and contact	Program content and frequency	Program year	End of tax year	Close of filing period	Close of filing period (with extensions)	Close of sampling period	Date of public release
Individuals, Mid-November Filing Season Statistics: Barry Johnson	Number of returns, total income, total tax and share of income composed of capital gains, by AGI category, reported through week 47 of the processing season.	2013	December 2013	N/A	N/A	N/A	December 2013
Individuals, Noncash Charitable Contributions: Janette Wilson; P.J. Liddell; Young Lim	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> .	2010	December 2010	April 2011	October 2011	December 2011	May 2013
Individuals, Noncash Charitable Contributions: Janette Wilson; P.J. Liddell; Young Lim	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> .	2011	December 2011	April 2012	October 2012	December 2012	May 2014
Individuals, Nonfarm Sole Proprietorships: Jeff Curry; Adrian Dungan	Basic data, produced annually, cover business receipts, deductions, and net income reported on Schedule C, <i>Profit or Loss From Business</i> , for nonfarm proprietors, classified by industry group.	2011	December 2011	April 2012	October 2012	December 2012	August 2013
Individuals, Sales of Capital Assets: Janette Wilson; P.J. Liddell; Young Lim	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 2015
Individuals, Sales of Capital Assets, Panel: Janette Wilson; P.J. Liddell; Young Lim	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	August 2013
Individuals, Withholding on 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.	2011	December 2011	March 2012	April 2012	March 2013	September 2013
International Boycott Report: 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.	2011	December 2011	April 2012	September 2012	July 2013	October 2013

SOI Projects, Contacts, and Public Release Information

General Statistical Information: (202) 874-0410 Fax: (202) 874-0964 e-mail: sis@irs.gov

Project name and contact	Program content and frequency	Program year	End of tax year	Close of filing period	Close of filing period (with extensions)	Close of sampling period	Date of public release
Partnerships, Income: Nina Shumofsky	Basic data, produced annually, cover income statement, balance sheet, and details from supporting schedules. Data are classified chiefly by industry group.	2011	December 2011	April 2012	September 2012	December 2012	July 2013
Partnerships, Withholding on Foreign Recipients of U.S. Income: Scott Luttrell	This annual study provides data on U.S. partnership payments to foreign partners. Data are classified by country and recipient type.	2010	December 2010	April 2011	October 2011	September 2012	May 2013
S Corporations Tabulations: Isaac 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.	2011	June 2012	September 2012	March 2013	June 2013	December 2013
Tax-Exempt Organizations (Except Private Foundations): Paul Arnsberger	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.	2010	November 2011	April 2012	October 2012	December 2012	July 2013
Tax-Exempt Organizations (Private Foundations): Cynthia Belmonte	This annual study provides balance sheet and income statement data for domestic private foundations and charitable trusts filing a Form 990-PF, <i>Return of Private Foundation</i> .	2010	November 2011	April 2012	October 2012	December 2012	July 2013
Tax-Exempt Organizations, Unrelated Business Income: Jael Jackson	This annual study provides data on unrelated business income and deductions for organizations classified as tax-exempt under the Internal Revenue Code.	2010	November 2011	April 2012	October 2012	December 2012	October 2013
Trusts (and Estates), Income Tax: 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.	2012	N/A	N/A	N/A	December 2012	October 2013
Trusts, Split-Interest: 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.	2012	N/A	N/A	N/A	December 2012	October 2013

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 • RAS:S
1111 Constitution Avenue, NW
Washington, DC 20224
(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

Charitable and Exempt Organization Statistics

Charities • Private Foundations • Exempt
Organization Population Data • Trusts •
Tax-Exempt Bonds

Individual Tax Statistics

Individual Income Tax • Estate and Gift Tax
International • Personal Wealth

Products, Publications, and Papers

SOI Bulletins • IRS Data Books • Data Snapshots
SOI Paper Series • U.S. Population Migration Data
Historical Data Tables • Archive

IRS Operations and Budget

Issuing Refunds • Collecting Revenue
Enforcing Laws • Assisting Taxpayers

Statistics by Form

706 • 709 • 990 • 990-PF • 990-T • 1040 • 1041 • 1065
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Statistics of Income (SOI)

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IRS Research Conference

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 and individuals:

Corporation Income Tax Returns

Corporation Source Book

CD-ROMs containing data from the *Corporation Source Book* are available for Tax Years 1996–1999 at a cost of \$250 per year. Data from the 2004 through 2009 *Corporation Source Books* are available at no charge from the Tax Stats Web site.

Individual Income Tax Returns

Individual Public-Use Microdata Files

Files for 1992 through 2007 are available on CD-ROM from the SOI Division for \$4,000 per year. These microdata files have been edited to protect the confidentiality of individual taxpayers.

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 1991–2010. 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 2005–2010 are available at no cost at www.irs.gov/taxstats. Click on “U.S. Population Migration Data” under Individual Tax Statistics; Individual Income Tax; Data by Geographic Areas.

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 1989–2010. Price is \$50 per year for the entire United States or \$10 per State per year for Filing Years 1989–2004. Filing Years 2005–2010 are available at no cost at www.irs.gov/taxstats. Click on “U.S. Population Migration Data” under Individual Tax Statistics; Individual Income Tax; Data by Geographic Areas.

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 1989–2009 for the entire United States. Price is \$50 per year for the entire United States or \$10 per State per year for Tax Years 1989–2004. Tax Years 2004–2009 are available at no cost at www.irs.gov/taxstats. Click on “County Income” under Individual Tax Statistics; Individual Income Tax; Data by Geographic Areas.

ZIP Code Area Data

Statistics are available for Tax Years 2002 and 2004–2008 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; and contributions; by State and 5-digit ZIP Code. In addition to these items, data for Tax Year 2004–2008 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, 2001, and 2008 are available at no cost at www.irs.gov/taxstats. Click on “Zip Code Data (SOI)” under Individual Tax Statistics; Individual Income Tax; 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 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.

SOI Products and Services

Microdata Records for Tax Year 2009

Microdata records of all Forms 990 and 990-EZ sampled for the annual SOI study of tax-exempt organizations. The samples include 17,300 Internal Revenue Code section 501(c)(3) organizations and 6,592 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.

Microdata Records for Tax Years 1992–2008

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.

Private Foundations (and Charitable Trusts)

Microdata Records for Tax Year 2009

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 16,545 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.

Microdata Records for Tax Years 1992–2008

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.

Publications

Statistics of Income—2010, Corporation Source Book

Publication 1053

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.

Compendium of Federal Estate Tax and Personal Wealth Studies

Publication 1773

Part I of this report focuses on data from estate tax returns, describing decedents, their beneficiaries, and the composition 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.

Statistics of Income—2010, Corporation Income Tax Returns

Publication 16

This report presents comprehensive data on corporation income tax returns with accounting periods that ended July 2009 through June 2010. Data are classified by industry, size of total assets, and size of business receipts.

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.

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—2010, Individual Income Tax Returns

Publication 1304, Stock No. 048-004-02552-3
Price: \$49 Foreign: \$68.60

This report presents more comprehensive and complete data on individual income tax returns for Tax Year 2010 than those published earlier in the *SOI Bulletin*.

Presents information on: Classifies data by:

- sources of income
- exemptions
- itemized deductions
- tax computations
- size of adjusted gross income
- marital status
- type of tax computation
- age

IRS Data Book, 2012

Annually, Publication 55B, Stock No. 048-004-02531-1
Price: \$15.00 International: \$21.00

This volume pertains to Fiscal Year (FY) 2012—October 1, 2011, through September 30, 2012. The report provides information on returns filed and taxes collected, enforcement, taxpayer assistance, the IRS budget and workforce, and other selected activities.

Statistics of Income Bulletin

Quarterly, Publication 1136, Stock No. 748-005-00000-5
Subscription price: \$67 International: \$93.80

Winter 2013, Single copy, Stock No. 748-005-00114-1
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, formerly published in every issue of the *Bulletin* are now published only on the IRS Web site (www.irs.gov/taxstats).