

High-Income Tax Returns for 2011

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 high-income returns for 2011 and summary data for the period 1977 to 2010. Detailed data for the years 1974 through 2010 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, the foreign-earned income exclusion, and items of “tax preference” for alternative minimum tax (AMT) 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.

There are also two tax concepts in this article used to classify returns as taxable or nontaxable: “U.S. income tax” and “worldwide income tax.” The first concept, U.S. income tax, is total Federal income tax liability, which includes the AMT, *less* all credits against income tax

and does not include payroll or self-employment taxes. To be considered taxable, a return had to have a positive income tax liability after accounting for all credits (including refundable credits). A nontaxable return, on the other hand, could either have a zero or negative income tax liability after accounting for all credits (including refundable credits). Since the Federal income tax applies to worldwide income and allows a credit (subject to certain limits) for income taxes paid to foreign governments, a return could be classified as nontaxable 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 back the allowable foreign tax credit and foreign taxes paid on excluded foreign-earned income to U.S. income tax.^{6,7} The sum of these two items is believed to be a reasonable proxy for foreign taxes actually paid.

For 2011, the number of expanded-income returns over \$200,000 increased 9.4 percent to almost 4.8 million returns. Of these, 15,000 returns had no worldwide income tax liability. This was a 6.7-percent decline in the number of returns with no worldwide income tax liability from 2010, and the second decrease in a row since reaching an all-time high of 19,551 returns in 2009. (For comparison, the total number returns filed increased 1.7 percent from 2009 to 2010 and again from 2010 to 2011.) Tax-exempt interest was the primary reason for nontaxability on more than half (58.2 percent) of these returns. The \$200,000 threshold was fixed in statute in 1976 and not adjusted for inflation. In 2011 dollars, one would need to have \$790,647 of income to have the same purchasing powers as having \$200,000 of income in 1976. Using an inflation-adjusted threshold, there were roughly 440,000 high expanded-income returns, a 1.5-percent increase from 2010. However, the number of expanded-income returns with no worldwide income tax using an inflation-adjusted threshold showed an increase of 7.8 percent, from 820 to 884 returns. This was still substantially down from the all-time high of 1,252 returns in 2009.

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

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 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.”

⁷ 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.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Detailed Data for 2011

Tables 1 through 12 present data based on income tax returns for 2011, 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.

Number of High-Income Returns

For 2011, some 4.7 million individual income tax returns with an AGI of \$200,000 or more accounted for 3.2 percent of all returns for the year, while 4.8 million returns with an expanded income of \$200,000 or more accounted for 3.3 percent (Tables 1 and 2). This represents a 9.4-percent increase in the number of high-income returns for both measures from 2010.

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 have had 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.⁸ For Tax Year 2011, this inflation-adjusted threshold was \$790,647.

From 1977 to 2011, 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 down-turns in Tax Years 2001, 2002, 2008, and 2009. For these years, both the number of high-income returns and their share of all tax returns decreased. The general trend of a rise in the number of returns and their respective share of all tax returns is similar when using the inflation-adjusted income threshold. However, the increases are much smaller, and the number of returns above the inflation-adjusted threshold decreased in additional years, e.g., Tax Years 1980, 1981, 1989, 1991, and 1993. Many of these years also coincided 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 in 1987, expanded income for years after 1986 is not strictly comparable to expanded income for years before 1987.

Under the expanded-income concept, the total number of high-income returns above the inflation-adjusted threshold for 2011 was roughly 440,000 or 7.5 times the number for 1977. In comparison, without adjusting for inflation, the number of high-income returns for 2011 was 70.4 times as large as for 1977. (The total number of returns in 2011 was 1.7 times greater than the number of returns in 1977.) For 2011, the share of returns that were high expanded income, using the inflation-adjusted threshold, decreased marginally to 0.303 percent from 0.304 percent in 2010. In contrast, using the expanded-income definition and a nominal \$200,000 threshold, the share of filers above this threshold increased from 3.0 percent in 2010 to 3.3 percent in 2011. Figure B shows, using the expanded-income definition,

⁸ Inflation-adjusted 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.

Figure A

All Returns and Returns with Income of \$200,000 or More Measured in Current and Inflation-Adjusted Dollars, by Income Concept, Tax Years 1977–2011

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
2011	145,370,240	4,700,056	4,758,256	3.233	3.273

Footnotes at end of figure.

the share of returns above the nominal \$200,000 threshold and the inflation-adjusted threshold.

Based on AGI, the number of returns for 2011 above the inflation-adjusted threshold was just over 430,000 or 9.4 times the number for 1977. In comparison, the number of high returns above the nominal \$200,000 threshold was 88.0 times as large as for 1977. For Tax Year 2011, the share of returns above the inflation-adjusted threshold

increased marginally to 0.296 percent from 0.295 percent in 2010.

Nontaxable High-Income Returns

Tables 1 and 2 also show the number of all returns, taxable returns, and nontaxable returns, cross classified by broad AGI and expanded-income size classes. Most returns fall in the same broad income-size class under both

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Figure A—Continued

All Returns and Returns with Income of \$200,000 or More Measured in Current and Inflation-Adjusted Dollars, by Income Concept, Tax Years 1977–2011—Continued

Tax year	Current dollar income threshold equal to \$200,000 in 1976 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
2011	790,647	430,127	440,529	0.296	0.303

[1] Inflation-adjusted dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers using 1976 as the base year. See footnote 8 of this article for further details.

NOTES: This figure is based on U.S. Individual Income Tax Returns. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

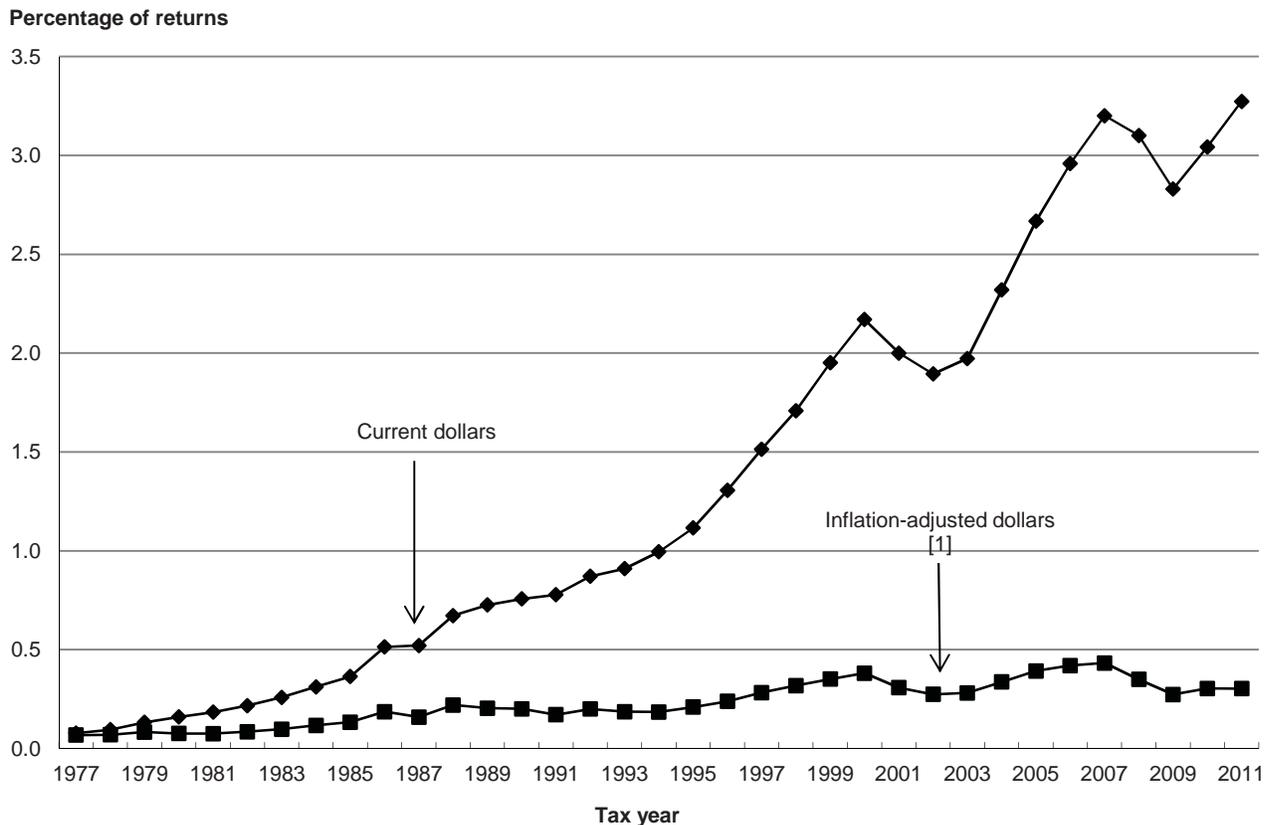
income concepts, but the number of nontaxable returns is generally greater in each income class over \$50,000 when income is measured by expanded income rather than by AGI.

Table 1 and the top panel of Figure C show that of the 4.7 million income tax returns with an AGI of

\$200,000 or more, 19,563 showed no U.S. income tax liability. They also show that of the 4.8 million tax returns with expanded income of \$200,000 or more, 32,902 had no U.S. income tax liability and of the 4.6 million returns with incomes of \$200,000 or more as measured by both AGI and expanded income, 16,582 returns had

Figure B

Returns with Expanded Income of \$200,000 or More: Percentage of All Returns, Measured in Current and Inflation-Adjusted Dollars, Tax Years 1977-2011



[1] Inflation-adjusted dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers using 1976 as the base year. See footnote 8 of this article for further details.
 NOTES: This figure is based on U.S. Individual Income Tax Returns. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income.
 Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

no U.S. income tax liability. This represents a 2.9-percent increase for high-AGI returns and 1.4-percent increase for high-expanded returns with no U.S. income tax from 2010. Additionally, for 2010, of the 4.3 million returns with an AGI of \$200,000 or more, 19,003 returns had no U.S. income tax liability, and of the 4.3 million returns with expanded income of \$200,000 or more, 32,441 had no U.S. income tax liability.

Table 2 and the top panel of Figure C also show that of the 4.7 million returns with an AGI of \$200,000 or more, 7,557 returns showed no worldwide income tax liability. They also show that of the 4.8 million tax returns with expanded income of \$200,000 or more, 15,000 had no worldwide income tax liability and of the 4.6 million returns with incomes of \$200,000 or more as measured

by both AGI and expanded income, 4,700 returns had no worldwide income tax. This represents a 6.1-percent decrease for high-AGI returns and 6.7-percent decrease for high-expanded returns with no worldwide tax from 2010. For 2010, there were 8,046 returns with an AGI of \$200,000 or more that had no worldwide income tax liability and 16,082 returns with expanded income of \$200,000 or more that had no worldwide income tax liability.

The lower panel of Figure C shows the number and share of returns above the inflation-adjusted threshold (measured using either AGI or expanded income) that had no U.S. income tax or no worldwide income tax. Measured using AGI, 2,327 returns above the inflation-adjusted threshold had no U.S. income tax liability in

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Figure C

Nontaxable Returns with Income of \$200,000 or More Measured in Current and Inflation-Adjusted Dollars, by Tax and Income Concept, Tax Years 1977–2011

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
2011	19,563	32,902	7,557	15,000	0.416	0.691	0.161	0.315

Footnotes at end of figure.

2011, up 8.2 percent from the previous year. Additionally, 633 returns showed no worldwide income tax liability, up 1.9 percent from 2010. Measured using expanded income, 2,754 returns above the inflation-adjusted threshold had no U.S. income tax liability, a 9.2-percent increase from the number of returns for 2010. Additionally, 884 returns showed no worldwide income tax liability, up 7.8 percent from the previous year.

Moving from the nominal \$200,000 threshold to an inflation-adjusted threshold does not generally change substantially the share of high-income returns that are nontaxable. Using AGI and a nominal \$200,000 threshold, 0.4 percent of high-income returns had no U.S. income tax, and 0.2 percent had no worldwide tax in 2011. In comparison, using an inflation-adjusted threshold, 0.5 percent of high-income returns had no U.S. income tax

Figure C—Continued

Nontaxable Returns with Income of \$200,000 or More Measured in Current and Inflation-Adjusted Dollars, by Tax and Income Concept, Tax Years 1977–2011—Continued

Tax year	\$200,000 inflation-adjusted income threshold [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
2011	2,327	2,754	633	884	0.541	0.625	0.147	0.201

[1] Inflation-adjusted dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers using 1976 as the base year. See footnote 8 of this article for further details.

NOTES: This figure is based on U.S. Individual Income Tax Returns. 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. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

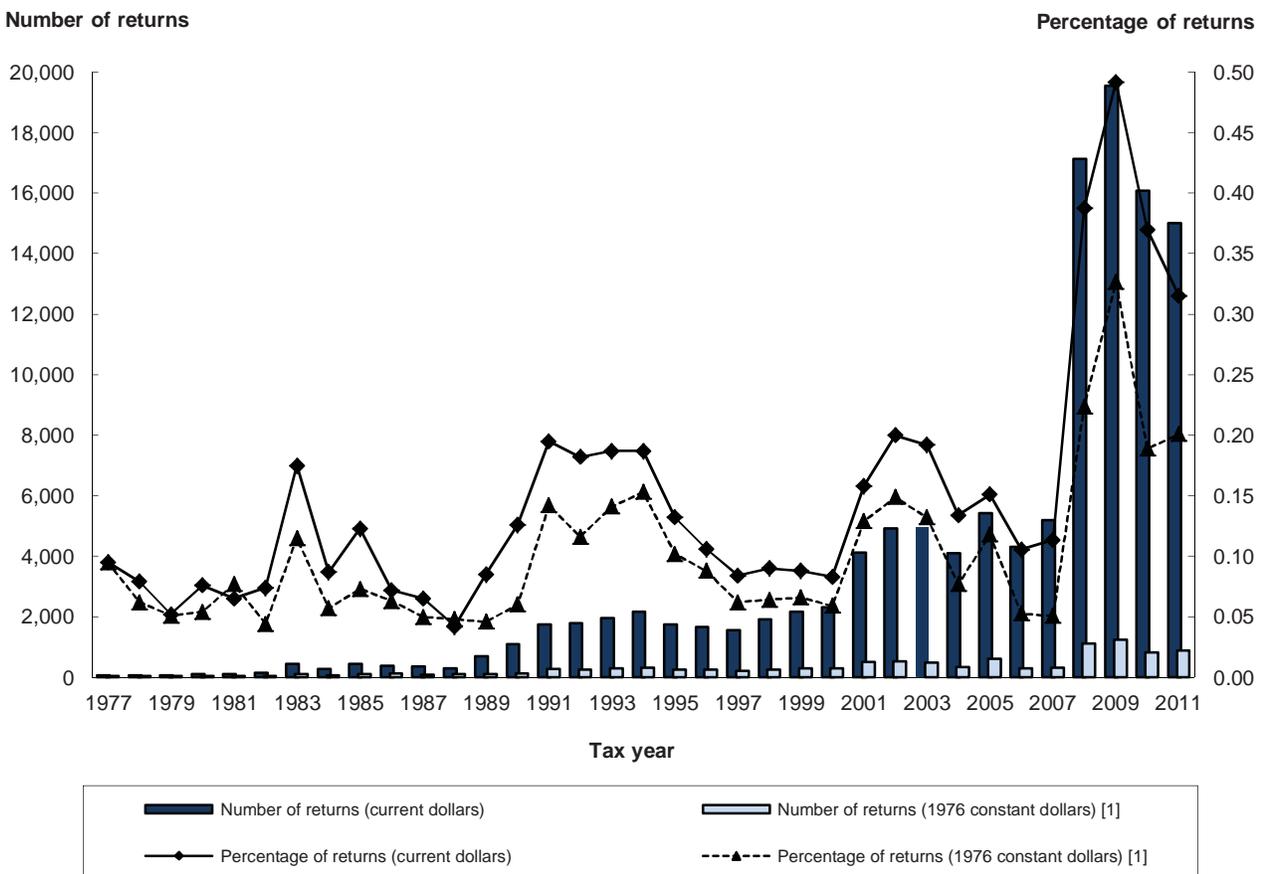
and 0.1 percent had no worldwide tax. Similarly, when using expanded income and a nominal \$200,000 threshold, 0.7 percent of high-income returns had no U.S. income tax, and 0.3 percent had no worldwide tax in 2011, while an inflation-adjusted threshold showed that 0.6 percent had no U.S. income tax and 0.2 percent had no worldwide tax.

Figure D shows for 1977 through 2011 the number of returns with expanded income of \$200,000 or more

with no worldwide income tax (left-scale) and their proportion of all high expanded-income returns (right-scale). These data are shown for returns exceeding the nominal \$200,000 threshold and the returns exceeding the inflation-adjusted threshold. 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

Figure D

Returns with Expanded Income of \$200,000 or More: Number and Percentage of Returns with No Worldwide Income Tax, Measured in Current and Inflation-Adjusted Dollars, Tax Years 1977–2011



[1] Inflation-adjusted dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers using 1976 as the base year. See footnote 8 of this article for further details.

NOTES: This figure is based on U.S. Individual Income Tax Returns. See Figure H for the derivation of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was 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. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

fairly consistent from 2002 to 2007. From 2007 to 2010, the spread widened considerably before narrowing in 2011. The gap (more than 0.1 percentage points) for 2011 was still high compared with most of the years in this study.

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 number and percentages of nontaxable returns with expanded income of \$200,000 or more may represent sampling variability, in addition to actual changes in the number 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 more recent years.

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 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 \$74,450 on joint returns (\$48,450 on single and head-of-household returns and \$37,225 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.⁹ 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 the sum of the AMT exclusion and the amount by which regular taxable income is below zero. Note that, because of the AMT, taxpayers may have found it beneficial to report additional deduction items on their tax returns, even if the items did not produce a benefit for regular tax purposes.

Tables 7 and 8 classify tax returns by 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.¹⁰ 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 57.3 percent of the time. Where this was the primary item, the interest paid deduction was the second most important item 60.3 percent of the time, and the charitable contributions deduction was the second most important item 24.8 percent of the time. The foreign tax credit was the largest reason for nontaxability for both AGI (55.5 percent of the time) and expanded income returns with no income tax (42.8 percent of the time). However, in determining worldwide tax, this no longer has an effect (by definition).

On returns without any worldwide tax and expanded income of \$200,000 or more, the most important item in eliminating tax, on 58.2 percent of returns, was the exclusion for State and local Government interest (“tax-exempt interest”) (Table 8). For these returns, the itemized deduction for taxes paid was the second most important item 25.3 percent of the time, and the deduction for medical and dental expenses was the second most important reason 18.5 percent of the time.

Table 8 also shows that the four categories with the largest effect in reducing taxes on high adjusted-gross-income returns with no worldwide income tax were the total miscellaneous deductions (2,272 returns, or 30.1 percent of the 7,557 tabulated returns with AGI of \$200,000 or more and with no worldwide tax liability); medical and dental expense deduction (1,222 returns, or 16.2 percent); charitable contributions deduction (1,104 returns, or 14.6 percent); and partnership and S corporation net losses (764 returns, or 10.1 percent). Figure E also shows these effects.

For high expanded-income returns with no worldwide income tax, four categories that most frequently had

⁹ 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.

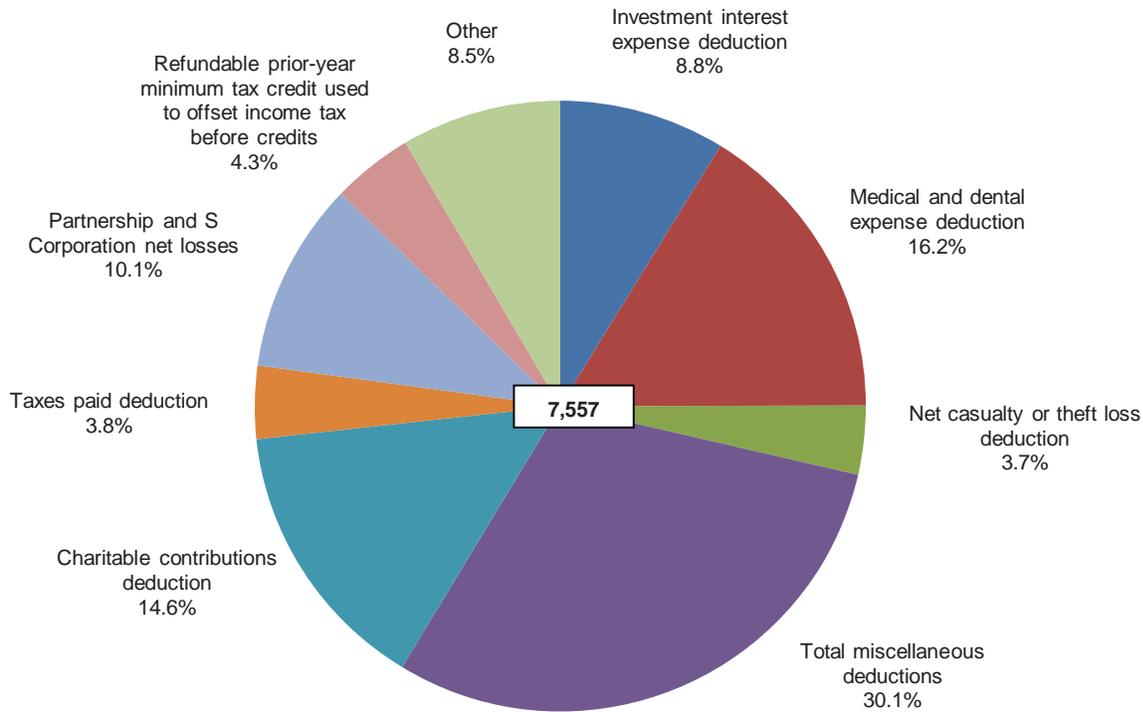
¹⁰ Tax-exempt interest and the foreign-earned income exclusion were not included in Tables 7 and 8 as possible tax effects before Tax Year 1994. Thus, caution should be exercised in making comparisons between data prior to 1994 and after 1993.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 2011



NOTES: Detail may not add to 100 percent because of rounding. This figure is based on U.S. Individual Income Tax Returns. See Figure H for the derivation of worldwide income tax. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

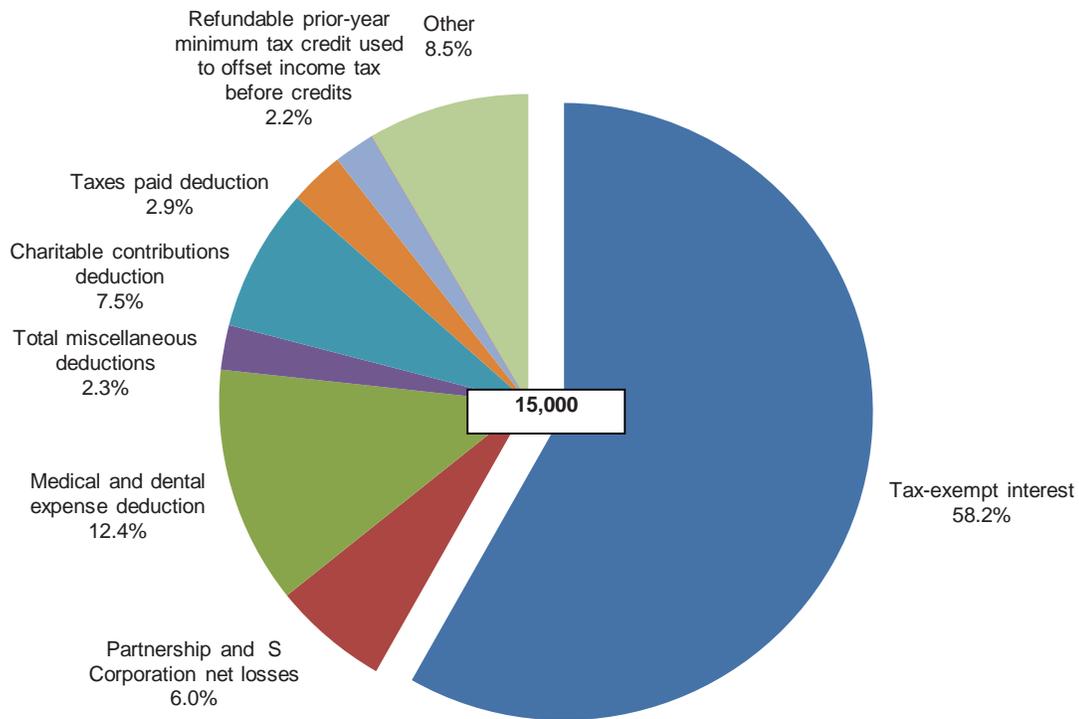
the largest effect in reducing taxes were: 1) tax-exempt interest (8,728 returns, or 58.2 percent of the 15,000 tabulated returns with expanded income of \$200,000 or more and with no worldwide tax liability); 2) medical and dental expense deductions (1,866 returns, or 12.4 percent); 3) charitable contributions deduction (1,126 returns, or 7.5 percent); and 4) partnership and S corporation net losses (907 returns, or 6.0 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 (3,423 returns, or 22.8 percent) and charitable contributions (2,056 returns, or 13.7 percent).

Tables 9 and 10 present another way of illustrating the importance of various tax provisions in reducing or eliminating income tax by showing the number of times that various items reduced income by different percentages of income. Also, unlike Tables 7 and 8, these tables cover only nontaxable returns, i.e., returns showing no income tax liability. Table 9 shows high-income returns with no U.S. income tax, and Table 10 shows high-income returns with no worldwide income tax. 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 medical and dental expenses exceeded 100 percent

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 2011



NOTES: Detail may not add to 100 percent because of rounding. This figure is based on U.S. Individual Income Tax Returns. See Figure H for the derivation of worldwide income tax. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income.
Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

of expanded income on 257 of the 15,000 returns, but there were no medical and dental expense deductions on 6,848 returns.

Distribution of Tax Levels

Tables 3 and 4 show the distributions of high-income returns by the ratios of “adjusted” taxable income to either AGI or expanded income. Taxable income was adjusted for these tables by subtracting the deduction equivalents of tax credits and other items from taxable income.¹¹ Thus, the tables show the extent to which AGI or expanded 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 (0.3 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

¹¹ See Appendix B for a description of how the deduction equivalent of credits was computed.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 (66.5 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. The tables 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, 20.2 percent had effective tax rates of 25 percent or more. Also, 31.5 percent had effective tax rates between 20 and 25 percent. In contrast, only 2.8 percent of taxpayers with AGI between \$100,000 and \$200,000 had effective tax rates of 20 percent or more, including 0.2 percent with effective tax rates of 25 percent or more.

Characteristics of Tax Returns

Tables 5 and 6 show, in the aggregate, the frequencies and amounts of the types of income, the items of tax preference, and the various deductions, credits, and income taxes shown on high-income returns. By comparing the columns for nontaxable returns with those for taxable returns, some of the different characteristics of nontaxable returns can be deduced. For example, returns without worldwide income tax under the expanded-income concept (Table 6) were much more likely (85.7 percent) than taxable returns (28.9 percent) to have tax-exempt interest, and when they did, the average amount (\$261,475 for nontaxable returns) was much higher (\$32,783 for all taxable returns). Similarly, nontaxable returns were much less likely to have any income from salaries and wages. Only 30.4 percent of the nontaxable returns had wages. In contrast, 88.4 percent of all high-income returns had wages.

References

Lerman, Allen H., “High-Income Tax Returns: 1974 and 1975, A Report on High-Income Taxpayers Emphasizing Tax Returns with Little or No Tax

Liability,” U.S. Department of Treasury, Office of Tax Analysis, March 1977, and “High-Income Tax Returns: 1975 and 1976, A Report Emphasizing Nontaxable and Nearly Nontaxable Income Tax Returns,” U.S. Department of Treasury, Office of Tax Analysis, August 1978.

U.S. Department of Treasury, Internal Revenue Service, *Statistics of Income—Individual Income Tax Returns* for 1977 through 1982 and 1985 through 1988. (For 1977 and 1978, only the number of nontaxable, high-AGI returns was published.)

Lerman, Allen H., “High-Income Tax Returns, 1983,” *Statistics of Income Bulletin*, Spring 1986, Volume 5, Number 4, pp. 31–61; “High-Income Tax Returns, 1984,” *Statistics of Income Bulletin*, Spring 1987, Volume 6, Number 4, pp. 1–29; “High-Income Tax Returns for 1989,” *Statistics of Income Bulletin*, Spring 1993, Volume 12, Number 4, pp. 23–50; “High-Income Tax Returns for 1990,” *Statistics of Income Bulletin*, Winter 1993–1994, Volume 13, Number 3, pp. 104–132; “High-Income Tax Returns for 1991,” *Statistics of Income Bulletin*, Winter 1994–1995, Volume 14, Number 3, pp. 96–130; and “High-Income Tax Returns for 1992,” *Statistics of Income Bulletin*, Winter 1995–1996, Volume 15, Number 3, pp. 46–82.

Latzy, John, “High-Income Tax Returns for 1993,” *Statistics of Income Bulletin*, Winter 1996–1997, Volume 16, Number 3, pp. 64–101; and “High-Income Tax Returns, 1994,” *Statistics of Income Bulletin*, Winter 1997–1998, Volume 17, Number 3, pp. 31–69.

Cruciano, Therese, “High-Income Tax Returns for 1995,” *Statistics of Income Bulletin*, Summer 1998, Volume 18, Number 1, pp. 69–108; “High-Income Tax Returns for 1996,” *Statistics of Income Bulletin*, Winter 1998–1999, Volume 18, Number 3, pp. 7–59.

Parisi, Michael, “High-Income Tax Returns for 1997,” *Statistics of Income Bulletin*, Winter 1999–2000, Volume 19, Number 3, pp. 6–58.

Balkovic, Brian, “High-Income Tax Returns for 1998,” *Statistics of Income Bulletin*, Winter 2000–2001, Volume 20, Number 3, pp. 5–57; “High-Income Tax Returns for 1999,” *Statistics of Income Bulletin*, Spring 2002, Volume 21, Number 4, pp. 7–58; “High-Income Tax Returns for 2000,” *Statistics of*

Income Bulletin, Spring 2003, Volume 22, Number 4, pp. 10–62; “High-Income Tax Returns for 2001,” *Statistics of Income Bulletin*, Summer 2004, Volume 24, Number 1, pp. 65–117; “High-Income Tax Returns for 2002,” *Statistics of Income Bulletin*, Spring 2005, Volume 24, Number 4, pp. 6–58; “High-Income Tax Returns for 2003,” *Statistics of Income Bulletin*, Spring 2006, Volume 25, Number 4, pp. 8–57; “High-Income Tax Returns for 2004,” *Statistics of Income Bulletin*, Spring 2007, Volume 26, Number 4, pp. 7–57; “High-Income Tax Returns for 2005,” *Statistics of Income Bulletin*, Spring 2008, Volume 27, Number 4, pp. 16–67.

Bryan, Justin, “High-Income Tax Returns for 2006,” *Statistics of Income Bulletin*, Spring 2009, Volume 28, Number 4, pp. 5–53; “High-Income Tax Returns for 2007,” *Statistics of Income Bulletin*, Spring 2010, Volume 29, Number 4, pp. 3–51; “High-Income Tax Returns for 2008,” *Statistics of Income Bulletin*, Spring 2011, Volume 30, Number 4, pp. 5–54; “High-Income Tax Returns for 2009,” *Statistics of Income Bulletin*, Spring 2012, Volume 31, Number 4, pp. 6–61; “High-Income Tax Returns for 2010,” *Statistics of Income Bulletin*, Spring 2013, Volume 32, Number 4, pp. 4–58.

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 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 expenses.

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

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 noncash 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 savings accounts.

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

expenses. In particular, deductible meal and entertainment expenses are limited to 50 percent of total meal and entertainment expenses.

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

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

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

Expanded Income

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

Investment Expenses

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

If all income has not been included currently, full deduction of investment expenses might represent a

Figure G

Derivation of Expanded Income from Adjusted Gross Income, Tax Years 1977–2011

Adjusted gross income (AGI)

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

NOTE: Footnotes to this figure are included with the footnotes to Appendix A: Income Concepts, which also includes an explanation of adjusted gross income and expanded income.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

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 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.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 nonlimited 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 two 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 deduction equivalent of credits and other items. A final section discusses the possible implications of the use of unaudited tax return data for this article.

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

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

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

As a result of taxing citizens and residents on a worldwide basis but allowing a foreign tax credit, some Federal income tax returns may report substantial income but little or no U.S. tax liability after credits. This may occur, for example, if a taxpayer has income only from foreign sources, for example, the taxpayer may live abroad the entire year and have no income-producing assets in the United States. It may also occur 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

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 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

Figure H

Derivation of "U.S. Income Tax" and "Worldwide Income Tax," Tax Year 2011

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

NOTE: See Appendix B: Tax Concepts for further discussion of the information in this figure.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 1. Returns With and Without U.S. Income Tax: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2011

[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	145,370,240	95,038,739	30,875,679	14,755,766	4,700,056
Under \$50,000 [1]	92,994,879	92,243,992	733,304	14,288	3,294
\$50,000 under \$100,000	32,820,012	2,714,946	29,689,590	411,587	3,888
\$100,000 under \$200,000	14,797,094	75,496	442,822	14,203,386	75,390
\$200,000 or more	4,758,256	4,305	9,962	126,504	4,617,485
Returns with U.S. income tax					
Total	91,694,201	43,016,900	29,356,039	14,640,768	4,680,493
Under \$50,000 [1]	41,429,731	40,823,597	598,926	5,813	1,395
\$50,000 under \$100,000	30,896,754	2,158,954	28,331,535	402,737	3,528
\$100,000 under \$200,000	14,642,362	33,474	419,115	14,115,105	74,668
\$200,000 or more	4,725,354	875	6,463	117,113	4,600,903
Returns without U.S. income tax					
Total	53,676,039	52,021,839	1,519,640	114,998	19,563
Under \$50,000 [1]	51,565,148	51,420,396	134,378	8,476	1,899
\$50,000 under \$100,000	1,923,258	555,992	1,358,055	8,850	360
\$100,000 under \$200,000	154,732	42,021	23,708	88,281	722
\$200,000 or more	32,902	3,430	3,499	9,391	16,582

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

NOTES: Detail may not add to totals because of rounding. This table is based on U.S. Individual Tax Returns. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. and worldwide income tax. 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. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 2. Returns With and Without Worldwide Income Tax: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2011

[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	145,370,240	95,038,739	30,875,679	14,755,766	4,700,056
Under \$50,000 [1]	92,994,879	92,243,992	733,304	14,288	3,294
\$50,000 under \$100,000	32,820,012	2,714,946	29,689,590	411,587	3,888
\$100,000 under \$200,000	14,797,094	75,496	442,822	14,203,386	75,390
\$200,000 or more	4,758,256	4,305	9,962	126,504	4,617,485
Returns with worldwide income tax					
Total	91,971,767	43,193,582	29,419,852	14,665,834	4,692,499
Under \$50,000 [1]	41,579,560	40,971,882	600,460	5,813	1,406
\$50,000 under \$100,000	30,967,969	2,175,549	28,386,123	402,758	3,539
\$100,000 under \$200,000	14,680,981	45,005	426,021	14,135,186	74,770
\$200,000 or more	4,743,256	1,146	7,249	122,077	4,612,784
Returns without worldwide income tax					
Total	53,398,473	51,845,157	1,455,827	89,932	7,557
Under \$50,000 [1]	51,415,319	51,272,111	132,845	8,476	1,888
\$50,000 under \$100,000	1,852,042	539,397	1,303,468	8,829	349
\$100,000 under \$200,000	116,112	30,491	16,802	68,200	620
\$200,000 or more	15,000	3,159	2,713	4,428	4,700

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

NOTES: Detail may not add to totals because of rounding. This table is based on U.S. Individual Tax Returns. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. and worldwide income tax. 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. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 2011

[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	4,700,056	100.0	100.0	4,758,256	100.0	100.0
Returns without U.S. income tax	19,563	0.4	0.4	32,902	0.7	0.7
Returns with U.S. income tax: Total	4,680,493	99.6	N/A	4,725,354	99.3	N/A
Ratio of adjusted taxable income to income per concept:						
Over 0 under 5 percent	10,182	0.2	0.2	14,722	0.3	0.3
5 under 10 percent	8,464	0.2	0.4	12,157	0.3	0.6
10 under 15 percent	9,667	0.2	0.6	13,393	0.3	0.8
15 under 20 percent	8,968	0.2	0.8	13,230	0.3	1.1
20 under 25 percent	9,271	0.2	1.0	13,982	0.3	1.4
25 under 30 percent	13,324	0.3	1.3	17,554	0.4	1.8
30 under 35 percent	17,205	0.4	1.6	24,768	0.5	2.3
35 under 40 percent	20,873	0.4	2.1	28,909	0.6	2.9
40 under 45 percent	35,926	0.8	2.8	47,852	1.0	3.9
45 under 50 percent	53,439	1.1	4.0	61,966	1.3	5.2
50 under 60 percent	134,535	2.9	6.8	157,773	3.3	8.5
60 under 70 percent	292,910	6.2	13.1	315,812	6.6	15.2
70 under 80 percent	945,536	20.1	33.2	934,918	19.6	34.8
80 percent or more	3,120,194	66.4	99.6	3,068,319	64.5	99.3

N/A—Not applicable.

NOTES: Detail may not add to totals because of rounding. This table is based on U.S. Individual Tax Returns. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. and worldwide income tax. 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. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 2011

[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	4,700,056	100.0	100.0	4,758,256	100.0	100.0
Returns without worldwide income tax	7,557	0.2	0.2	15,000	0.3	0.3
Returns with worldwide income tax: Total	4,692,499	99.8	N/A	4,743,256	99.7	N/A
Ratio of adjusted taxable income to income per concept:						
Over 0 under 5 percent	2,801	0.1	0.1	4,295	0.1	0.1
5 under 10 percent	3,724	0.1	0.1	5,853	0.1	0.2
10 under 15 percent	5,708	0.1	0.3	8,286	0.2	0.4
15 under 20 percent	5,353	0.1	0.4	9,057	0.2	0.6
20 under 25 percent	4,943	0.1	0.5	9,005	0.2	0.8
25 under 30 percent	9,951	0.2	0.7	12,321	0.3	1.0
30 under 35 percent	11,262	0.2	0.9	17,847	0.4	1.4
35 under 40 percent	16,787	0.4	1.3	25,309	0.5	1.9
40 under 45 percent	32,895	0.7	2.0	40,333	0.8	2.8
45 under 50 percent	49,479	1.1	3.0	59,880	1.3	4.0
50 under 60 percent	129,220	2.7	5.8	149,128	3.1	7.2
60 under 70 percent	280,981	6.0	11.8	307,545	6.5	13.6
70 under 80 percent	932,037	19.8	31.6	928,335	19.5	33.1
80 percent or more	3,207,357	68.2	99.8	3,166,061	66.5	99.7

N/A—Not applicable.

NOTES: Detail may not add to totals because of rounding. This table is based on U.S. Individual Tax Returns. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. and worldwide income tax. 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. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 2011

[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	4,185,382	1,286,806,053	4,171,931	1,281,543,140	13,451	5,262,913
Business or profession:						
Net income	844,546	95,292,604	841,750	94,880,051	2,796	412,553
Net loss	288,774	7,234,502	287,437	7,076,556	1,337	157,946
Farm:						
Net income	35,494	3,902,881	35,330	3,889,802	164	13,079
Net loss	86,835	4,148,573	86,375	4,069,765	460	78,808
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,368,831	442,388,224	1,365,537	441,252,546	3,294	1,135,678
Net loss	429,451	37,700,819	425,548	35,822,027	3,904	1,878,792
Sales of capital assets:						
Net gain	1,481,714	329,725,089	1,475,531	326,978,213	6,183	2,746,876
Net loss	1,629,659	4,137,161	1,622,906	4,118,958	6,753	18,203
Sales of property other than capital assets:						
Net gain	203,826	9,541,027	202,321	9,455,853	1,505	85,174
Net loss	269,477	5,724,095	267,781	5,544,811	1,696	179,284
Taxable interest received	4,162,518	56,810,611	4,146,505	55,598,027	16,013	1,212,585
Tax-exempt interest	1,292,685	38,577,651	1,287,329	38,035,209	5,356	542,442
Dividends	3,268,142	106,163,239	3,254,953	104,498,142	13,189	1,665,097
Qualified dividends	3,108,104	83,036,741	3,096,358	81,724,975	11,746	1,311,766
Pensions and annuities in adjusted gross income	1,029,849	52,282,184	1,026,747	52,136,161	3,103	146,023
Rent:						
Net income	512,921	24,903,005	510,439	24,768,068	2,482	134,937
Net loss, total (deductible and nondeductible)	645,591	12,228,809	642,182	12,064,069	3,409	164,740
Nondeductible rental loss	527,498	8,796,940	524,887	8,719,331	2,611	77,610
Royalty:						
Net income	312,991	14,480,115	310,821	14,360,571	2,171	119,544
Net loss	13,096	113,528	12,996	112,136	100	1,392
Estate or trust:						
Net income	111,485	15,714,758	110,843	15,642,706	641	72,053
Net loss	17,069	1,390,277	16,790	1,271,248	280	119,028
State income tax refunds	1,651,651	8,649,413	1,648,992	8,573,283	2,659	76,130
Alimony received	8,192	972,899	8,163	968,930	29	3,968
Social Security benefits in adjusted gross income	738,353	17,243,497	734,467	17,156,926	3,886	86,571
Social Security benefits (nontaxable)	738,909	3,052,760	734,967	3,036,385	3,942	16,375
Unemployment compensation	158,569	1,365,602	158,366	1,363,816	203	1,786
Other income	603,672	16,498,227	599,890	16,261,010	3,782	237,217
Other loss	50,725	1,846,887	48,887	1,773,154	1,838	73,734
Foreign-earned income exclusion	44,608	3,827,939	39,407	3,327,800	5,201	500,139
Total income	4,700,056	2,473,854,144	4,680,493	2,462,424,135	19,563	11,430,008
Statutory adjustments, total	1,910,138	41,482,500	1,904,457	41,374,921	5,681	107,580
Payments to Individual Retirement Arrangements	119,916	1,037,522	119,452	1,033,794	464	3,728
Payments to self-employed retirement (Keogh) plans	396,013	13,206,094	395,635	13,193,647	378	12,447
Moving expenses adjustment	53,338	337,844	53,175	336,115	163	1,728
Adjusted gross income	4,700,056	2,432,371,643	4,680,493	2,421,049,214	19,563	11,322,429
Investment interest expense deduction	610,945	10,736,250	606,290	9,734,865	4,655	1,001,385
Total tax preferences excluded from adjusted gross income [2]	1,305,575	40,939,844	1,299,993	40,408,514	5,583	531,330
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	27,266	2,460,835	26,867	2,457,211	399	3,624
Passive activity loss (alternative minimum tax adjustment)	568,884	442,191	566,088	477,320	2,797	-35,128

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 2011—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	4,699,922	2,452,220,985	4,680,493	2,442,455,963	19,429	9,765,023
Exemption amount	4,697,976	51,023,219	4,678,453	50,841,181	19,523	182,037
Itemized deductions:						
Total per adjusted gross income concept	4,499,341	362,261,769	4,485,326	357,032,166	14,015	5,229,603
Charitable contributions deduction	4,187,587	73,090,750	4,176,603	72,291,680	10,983	799,070
Interest paid deduction:						
Total per adjusted gross income concept	3,715,551	76,968,929	3,705,153	75,726,240	10,398	1,242,688
Total home mortgage interest	3,549,018	65,939,263	3,540,370	65,699,120	8,648	240,143
Medical and dental expense deduction	125,525	3,291,062	123,201	2,951,450	2,324	339,613
Net casualty or theft loss deduction	5,350	494,863	5,038	340,374	312	154,489
Taxes paid deduction	4,494,722	181,131,808	4,481,765	180,421,009	12,957	710,799
Net limited miscellaneous deductions per adjusted gross income concept	691,904	16,285,167	687,277	15,893,427	4,627	391,740
Non-limited miscellaneous deductions	238,843	11,027,515	235,048	9,435,432	3,795	1,592,083
Excess of exemptions and deductions over adjusted gross income	9,111	2,784,008	4,543	1,818,457	4,567	965,550
Taxable income	4,690,935	2,019,578,806	4,675,950	2,012,754,336	14,985	6,824,470
Tax at regular rates	4,686,856	520,009,234	4,673,715	518,184,856	13,141	1,824,377
Alternative minimum tax (Form 6251)	3,283,697	28,385,106	3,282,611	28,370,797	1,086	14,310
Income tax before credits	4,693,824	548,399,783	4,680,493	546,561,096	13,330	1,838,687
Tax credits, total	2,297,518	17,903,297	2,284,188	16,064,611	13,330	1,838,687
Child care credit	417,985	223,866	417,799	223,801	186	65
Minimum tax credit	82,065	361,891	81,464	349,107	601	12,784
Foreign tax credit	1,639,420	14,532,014	1,627,452	12,786,614	11,968	1,745,400
General business credit	200,646	1,882,042	199,743	1,865,778	903	16,264
Refundable prior-year minimum tax credit used to offset income tax before credits	162,409	454,979	161,660	413,595	749	41,384
All other refundable credits used to offset income tax before credits	6,606	31,414	6,577	16,355	29	15,058
U.S. total income tax	4,680,493	530,496,852	4,680,493	530,496,852	0	0
Taxable income which would yield:						
Income tax before credits	4,693,824	1,915,374,336	4,680,493	1,909,233,834	13,330	6,140,501
Income tax after credits	4,680,492	1,861,011,337	4,680,492	1,861,011,337	0	0
U.S. total income tax	4,680,493	1,861,012,400	4,680,493	1,861,012,400	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	4,700,056	2,432,371,643	4,680,493	2,421,049,214	19,563	11,322,429
plus: Total tax preferences excluded from adjusted gross income [2]	1,305,575	40,939,844	1,299,993	40,408,514	5,583	531,330
Social Security benefits (nontaxable)	738,909	3,052,760	734,967	3,036,385	3,942	16,375
Foreign-earned income exclusion	44,608	3,827,939	39,407	3,327,800	5,201	500,139
minus: Investment interest expense deduction	610,945	10,736,250	606,290	9,734,865	4,655	1,001,385
Non-limited miscellaneous deductions	238,843	11,027,515	235,048	9,435,432	3,795	1,592,083
Unreimbursed employee business expenses	876,119	6,207,436	874,946	6,195,654	1,173	11,782
Equals: Expanded income	4,699,922	2,452,220,985	4,680,493	2,442,455,963	19,429	9,765,023

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 2011—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	4,193,641	1,285,761,302	4,173,824	1,279,277,523	19,817	6,483,780
Business or profession:						
Net income	850,836	95,408,204	847,037	94,938,832	3,800	469,373
Net loss	289,606	7,296,603	287,556	7,127,773	2,050	168,829
Farm:						
Net income	36,214	3,929,992	36,020	3,916,618	194	13,373
Net loss	86,211	4,108,782	85,607	4,018,786	604	89,996
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,383,771	442,724,284	1,379,001	441,642,133	4,769	1,082,151
Net loss	444,213	37,857,087	437,586	36,024,470	6,627	1,832,617
Sales of capital assets:						
Net gain	1,507,629	329,576,673	1,498,237	327,356,463	9,392	2,220,210
Net loss	1,682,933	4,288,915	1,668,382	4,248,779	14,551	40,136
Sales of property other than capital assets:						
Net gain	210,522	9,613,560	208,135	9,525,335	2,386	88,226
Net loss	273,962	5,685,996	271,271	5,494,529	2,691	191,466
Taxable interest received	4,231,099	57,556,213	4,203,050	56,520,816	28,049	1,035,398
Tax-exempt interest	1,382,875	48,275,741	1,367,216	44,719,179	15,658	3,556,562
Dividends	3,345,008	109,601,291	3,320,464	107,419,173	24,544	2,182,118
Qualified dividends	3,183,787	85,483,206	3,161,605	83,807,228	22,181	1,675,978
Pensions and annuities in adjusted gross income	1,076,896	54,484,609	1,070,988	54,271,097	5,908	213,512
Rent:						
Net income	524,394	25,171,229	520,757	25,025,818	3,637	145,411
Net loss, total (deductible and nondeductible)	650,551	12,259,095	645,318	12,069,910	5,232	189,185
Nondeductible rental loss	529,025	8,792,133	525,501	8,699,088	3,523	93,045
Royalty:						
Net income	324,341	14,586,252	320,434	14,481,309	3,907	104,943
Net loss	13,206	116,673	13,043	112,123	163	4,550
Estate or trust:						
Net income	117,854	15,795,364	116,504	15,718,761	1,350	76,602
Net loss	17,987	1,389,049	17,543	1,278,267	444	110,782
State income tax refunds	1,658,280	8,718,053	1,653,753	8,632,239	4,527	85,813
Alimony received	8,199	973,497	8,163	968,930	36	4,566
Social Security benefits in adjusted gross income	806,431	18,862,977	797,000	18,656,572	9,431	206,405
Social Security benefits (nontaxable)	807,045	3,339,686	797,512	3,301,440	9,532	38,246
Unemployment compensation	155,172	1,349,834	154,950	1,347,508	222	2,326
Other income	617,716	16,710,546	611,747	16,455,325	5,969	255,221
Other loss	62,875	2,106,376	59,579	2,014,550	3,296	91,826
Foreign-earned income exclusion	75,416	6,869,371	64,617	5,734,131	10,799	1,135,240
Total income	4,758,255	2,475,313,434	4,725,354	2,464,444,063	32,901	10,869,371
Statutory adjustments, total	1,922,336	41,692,513	1,914,347	41,558,887	7,989	133,626
Payments to Individual Retirement Arrangements	122,881	1,068,356	122,149	1,062,739	732	5,617
Payments to self-employed retirement (Keogh) plans	398,613	13,257,996	398,129	13,241,783	484	16,213
Moving expenses adjustment	53,349	346,675	53,121	344,517	228	2,158
Adjusted gross income	4,758,255	2,433,620,922	4,725,354	2,422,885,176	32,901	10,735,746
Investment interest expense deduction	619,250	9,586,690	612,910	9,340,585	6,340	246,105
Total tax preferences excluded from adjusted gross income [2]	1,396,057	50,744,256	1,380,197	47,186,684	15,860	3,557,572
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	28,095	2,551,042	27,591	2,544,449	504	6,593
Passive activity loss (alternative minimum tax adjustment)	583,552	492,947	578,905	497,294	4,648	-4,348
Expanded income	4,758,256	2,473,541,692	4,725,354	2,458,473,004	32,902	15,068,688

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 2011—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)
Exemption amount	4,755,857	51,273,152	4,723,008	50,979,871	32,849	293,281
Itemized deductions:						
Total per adjusted gross income concept	4,530,923	357,591,882	4,508,310	353,756,141	22,613	3,835,741
Total per expanded income concept	4,530,661	338,980,327	4,508,109	335,525,699	22,552	3,454,628
Charitable contributions deduction	4,216,624	73,697,155	4,197,899	72,772,626	18,725	924,530
Interest paid deduction:						
Total per adjusted gross income concept	3,704,822	75,340,205	3,690,467	74,801,812	14,355	538,393
Total per expanded income concept	3,535,712	65,753,516	3,524,356	65,461,227	11,356	292,288
Total home mortgage interest	3,528,113	65,461,741	3,516,823	65,170,659	11,290	291,082
Medical and dental expense deduction	152,916	3,925,269	143,997	3,301,944	8,920	623,324
Net casualty or theft loss deduction	5,406	498,934	5,054	340,527	352	158,407
Taxes paid deduction	4,525,646	181,888,820	4,504,412	180,960,889	21,235	927,931
Net limited miscellaneous deductions per adjusted gross income concept	680,307	16,125,647	668,757	15,588,415	11,550	537,232
Non-limited miscellaneous deductions	218,986	6,143,372	216,175	6,016,732	2,811	126,641
Excess of exemptions and deductions over adjusted gross income	13,890	2,907,500	5,248	1,891,531	8,642	1,015,969
Taxable income	4,744,357	2,025,080,746	4,720,106	2,017,556,142	24,252	7,524,603
Tax at regular rates	4,736,186	521,133,357	4,717,073	519,141,823	19,113	1,991,534
Alternative minimum tax (Form 6251)	3,274,919	28,338,456	3,273,486	28,323,183	1,433	15,273
Income tax before credits	4,744,893	549,477,255	4,725,354	547,470,448	19,539	2,006,807
Tax credits, total	2,358,567	18,391,545	2,339,028	16,384,738	19,539	2,006,807
Child care credit	409,877	220,064	409,554	219,948	323	115
Minimum tax credit	85,862	362,199	85,048	349,246	814	12,952
Foreign tax credit	1,704,819	15,006,897	1,687,028	13,095,679	17,791	1,911,218
General business credit	202,857	1,884,768	201,895	1,868,589	962	16,179
Refundable prior-year minimum tax credit used to offset income tax before credits	164,742	457,129	163,800	414,906	942	42,223
All other refundable credits used to offset income tax before credits	8,266	32,441	8,239	17,395	27	15,046
U.S. total income tax	4,725,354	531,086,077	4,725,354	531,086,077	0	0
Taxable income which would yield:						
Income tax before credits	4,744,893	1,920,611,685	4,725,354	1,913,696,839	19,539	6,914,847
Income tax after credits	4,725,353	1,864,158,726	4,725,353	1,864,158,726	0	0
U.S. total income tax	4,725,354	1,864,159,789	4,725,354	1,864,159,789	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	4,758,255	2,433,620,922	4,725,354	2,422,885,176	32,901	10,735,746
plus: Total tax preferences excluded from adjusted gross income [2]	1,396,057	50,744,256	1,380,197	47,186,684	15,860	3,557,572
Social Security benefits (nontaxable)	807,045	3,339,686	797,512	3,301,440	9,532	38,246
Foreign-earned income exclusion	75,416	6,869,371	64,617	5,734,131	10,799	1,135,240
minus: Investment interest expense deduction	619,250	9,586,690	612,910	9,340,585	6,340	246,105
Non-limited miscellaneous deductions	218,986	6,143,372	216,175	6,016,732	2,811	126,641
Unreimbursed employee business expenses	827,362	5,283,560	825,603	5,271,677	1,759	11,883
Equals: Expanded income	4,758,256	2,473,541,692	4,725,354	2,458,473,004	32,902	15,068,688

[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. This table is based on U.S. Individual Tax Returns. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. and worldwide income tax. 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. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 2011

[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	4,185,382	1,286,806,053	4,181,864	1,286,197,406	3,518	608,647
Business or profession:						
Net income	844,546	95,292,604	843,398	95,206,565	1,147	86,039
Net loss	288,774	7,234,502	287,959	7,120,899	815	113,603
Farm:						
Net income	35,494	3,902,881	35,365	3,890,925	129	11,956
Net loss	86,835	4,148,573	86,562	4,084,192	273	64,381
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,368,831	442,388,224	1,366,866	442,002,911	1,965	385,313
Net loss	429,451	37,700,819	426,823	36,277,932	2,628	1,422,888
Sales of capital assets:						
Net gain	1,481,714	329,725,089	1,478,487	328,145,939	3,227	1,579,150
Net loss	1,629,659	4,137,161	1,626,947	4,129,463	2,713	7,698
Sales of property other than capital assets:						
Net gain	203,826	9,541,027	202,781	9,482,427	1,045	58,600
Net loss	269,477	5,724,095	268,362	5,614,528	1,115	109,567
Taxable interest received	4,162,518	56,810,611	4,155,856	55,963,935	6,662	846,676
Tax-exempt interest	1,292,685	38,577,651	1,289,210	38,125,956	3,475	451,695
Dividends	3,268,142	106,163,239	3,262,562	105,486,466	5,580	676,773
Qualified dividends	3,108,104	83,036,741	3,102,755	82,562,577	5,349	474,164
Pensions and annuities in adjusted gross income	1,029,849	52,282,184	1,027,922	52,204,873	1,927	77,310
Rent:						
Net income	512,921	24,903,005	511,632	24,836,496	1,288	66,509
Net loss, total (deductible and nondeductible)	645,591	12,228,809	644,276	12,129,798	1,315	99,011
Nondeductible rental loss	527,498	8,796,940	526,670	8,762,941	827	33,999
Royalty:						
Net income	312,991	14,480,115	311,588	14,429,677	1,403	50,438
Net loss	13,096	113,528	13,027	112,444	69	1,084
Estate or trust:						
Net income	111,485	15,714,758	111,012	15,678,892	473	35,867
Net loss	17,069	1,390,277	16,839	1,332,365	231	57,912
State income tax refunds	1,651,651	8,649,413	1,650,154	8,595,114	1,497	54,299
Alimony received	8,192	972,899	8,176	971,262	16	1,637
Social Security benefits in adjusted gross income	738,353	17,243,497	735,259	17,173,720	3,093	69,777
Social Security benefits (nontaxable)	738,909	3,052,760	735,813	3,040,394	3,095	12,365
Unemployment compensation	158,569	1,365,602	158,447	1,364,482	122	1,120
Other income	603,672	16,498,227	601,815	16,428,443	1,858	69,783
Other loss	50,725	1,846,887	50,584	1,827,862	141	19,025
Foreign-earned income exclusion	44,608	3,827,939	44,601	3,827,512	7	427
Total income	4,700,056	2,473,854,144	4,692,499	2,469,899,393	7,557	3,954,751
Statutory adjustments, total	1,910,138	41,482,500	1,906,907	41,430,302	3,232	52,198
Payments to Individual Retirement Arrangements	119,916	1,037,522	119,761	1,036,072	155	1,450
Payments to self-employed retirement (Keogh) plans	396,013	13,206,094	395,875	13,202,072	138	4,022
Moving expenses adjustment	53,338	337,844	53,324	337,685	14	158
Adjusted gross income	4,700,056	2,432,371,643	4,692,499	2,428,469,090	7,557	3,902,553
Investment interest expense deduction	610,945	10,736,250	607,856	9,828,932	3,088	907,318
Total tax preferences excluded from adjusted gross income [2]	1,305,575	40,939,844	1,301,913	40,498,681	3,662	441,164
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	27,266	2,460,835	26,954	2,458,889	313	1,945
Passive activity loss (alternative minimum tax adjustment)	568,884	442,191	567,167	473,146	1,718	-30,954
Expanded income	4,699,922	2,452,220,985	4,692,499	2,450,314,288	7,423	1,906,698

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 2011—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)
Exemption amount	4,697,976	51,023,219	4,690,431	50,955,549	7,545	67,670
Itemized deductions:						
Total per adjusted gross income concept	4,499,341	362,261,769	4,491,810	357,824,978	7,531	4,436,791
Charitable contributions deduction	4,187,587	73,090,750	4,181,293	72,566,413	6,294	524,337
Interest paid deduction:						
Total per adjusted gross income concept	3,715,551	76,968,929	3,710,220	75,919,970	5,331	1,048,959
Total home mortgage interest	3,549,018	65,939,263	3,544,766	65,798,164	4,252	141,099
Medical and dental expense deduction	125,525	3,291,062	123,503	2,961,388	2,022	329,674
Net casualty or theft loss deduction	5,350	494,863	5,050	346,121	300	148,742
Taxes paid deduction	4,494,722	181,131,808	4,487,292	180,606,936	7,430	524,873
Net limited miscellaneous deductions per adjusted gross income concept	691,904	16,285,167	688,637	15,963,127	3,267	322,040
Non-limited miscellaneous deductions	238,843	11,027,515	235,680	9,489,053	3,163	1,538,461
Excess of exemptions and deductions over adjusted gross income	9,111	2,784,008	4,579	1,837,866	4,531	946,142
Taxable income	4,690,935	2,019,578,806	4,687,919	2,019,235,813	3,016	342,993
Tax at regular rates	4,686,856	520,009,234	4,685,682	519,953,375	1,174	55,859
Alternative minimum tax (Form 6251)	3,283,697	28,385,106	3,283,099	28,376,047	599	9,059
Income tax before credits	4,693,824	548,399,783	4,692,462	548,334,865	1,361	64,918
Tax credits, total	2,297,518	17,903,297	2,296,157	17,838,379	1,361	64,918
Child care credit	417,985	223,866	417,962	223,855	23	11
Minimum tax credit	82,065	361,891	81,747	352,815	318	9,076
Foreign tax credit	0	0	0	0	0	0
General business credit	200,646	1,882,042	200,082	1,873,508	563	8,534
Refundable prior-year minimum tax credit used to offset income tax before credits	162,409	454,979	161,934	417,702	476	37,277
All other refundable credits used to offset income tax before credits	6,606	31,414	6,594	24,256	* 12	* 7,158
Worldwide total income tax	4,692,499	546,040,430	4,692,499	546,040,430	0	0
Foreign taxes paid	1,639,970	15,543,578	1,639,970	15,543,578	0	0
Foreign taxes paid on excluded foreign-earned income (Form 1116)	35,562	1,011,564	35,562	1,011,564	0	0
Taxable income which would yield:						
Income tax before credits	4,693,824	1,915,374,336	4,692,462	1,915,123,184	1,361	251,152
Income tax after credits	4,692,499	1,907,934,377	4,692,499	1,907,934,377	0	0
Worldwide total income tax	4,692,499	1,907,935,425	4,692,499	1,907,935,425	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	4,700,056	2,432,371,643	4,692,499	2,428,469,090	7,557	3,902,553
plus: Total tax preferences excluded from adjusted gross income [2]	1,305,575	40,939,844	1,301,913	40,498,681	3,662	441,164
Social Security benefits (nontaxable)	738,909	3,052,760	735,813	3,040,394	3,095	12,365
Foreign-earned income exclusion	44,608	3,827,939	44,601	3,827,512	7	427
minus: Investment interest expense deduction	610,945	10,736,250	607,856	9,828,932	3,088	907,318
Non-limited miscellaneous deductions	238,843	11,027,515	235,680	9,489,053	3,163	1,538,461
Unreimbursed employee business expenses	876,119	6,207,436	875,589	6,203,405	531	4,031
Equals: Expanded income	4,699,922	2,452,220,985	4,692,499	2,450,314,288	7,423	1,906,698

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 2011—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	4,193,641	1,285,761,302	4,189,077	1,285,143,204	4,564	618,098
Business or profession:						
Net income	850,836	95,408,204	849,317	95,320,199	1,519	88,005
Net loss	289,606	7,296,603	288,246	7,180,663	1,360	115,940
Farm:						
Net income	36,214	3,929,992	36,066	3,918,082	148	11,910
Net loss	86,211	4,108,782	85,842	4,034,546	369	74,235
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,383,771	442,724,284	1,380,659	442,405,421	3,112	318,863
Net loss	444,213	37,857,087	439,190	36,466,686	5,023	1,390,400
Sales of capital assets:						
Net gain	1,507,629	329,576,673	1,502,238	328,535,829	5,391	1,040,844
Net loss	1,682,933	4,288,915	1,674,296	4,264,036	8,638	24,879
Sales of property other than capital assets:						
Net gain	210,522	9,613,560	208,700	9,553,492	1,822	60,068
Net loss	273,962	5,685,996	271,993	5,567,313	1,969	118,683
Taxable interest received	4,231,099	57,556,213	4,216,574	56,860,159	14,526	696,055
Tax-exempt interest	1,382,875	48,275,741	1,370,018	44,913,952	12,857	3,361,789
Dividends	3,345,008	109,601,291	3,331,343	108,471,752	13,665	1,129,539
Qualified dividends	3,183,787	85,483,206	3,170,712	84,689,692	13,074	793,514
Pensions and annuities in adjusted gross income	1,076,896	54,484,609	1,072,683	54,355,522	4,212	129,087
Rent:						
Net income	524,394	25,171,229	522,402	25,099,035	1,991	72,194
Net loss, total (deductible and nondeductible)	650,551	12,259,095	648,430	12,153,076	2,120	106,019
Nondeductible rental loss	529,025	8,792,133	527,899	8,751,718	1,125	40,415
Royalty:						
Net income	324,341	14,586,252	321,436	14,551,477	2,905	34,775
Net loss	13,206	116,673	13,079	112,478	127	4,195
Estate or trust:						
Net income	117,854	15,795,364	116,737	15,756,345	1,117	39,019
Net loss	17,987	1,389,049	17,599	1,338,972	388	50,077
State income tax refunds	1,658,280	8,718,053	1,655,333	8,654,864	2,947	63,189
Alimony received	8,199	973,497	8,178	971,462	21	2,035
Social Security benefits in adjusted gross income	806,431	18,862,977	798,189	18,681,674	8,242	181,303
Social Security benefits (nontaxable)	807,045	3,339,686	798,797	3,307,544	8,247	32,142
Unemployment compensation	155,172	1,349,834	155,062	1,348,542	110	1,291
Other income	617,716	16,710,546	614,436	16,639,822	3,280	70,724
Other loss	62,875	2,106,376	62,548	2,097,788	327	8,588
Foreign-earned income exclusion	75,416	6,869,371	75,144	6,822,933	272	46,437
Total income	4,758,255	2,475,313,434	4,743,256	2,472,644,772	14,999	2,668,662
Statutory adjustments, total	1,922,336	41,692,513	1,917,660	41,625,488	4,676	67,024
Payments to Individual Retirement Arrangements	122,881	1,068,356	122,629	1,066,267	252	2,088
Payments to self-employed retirement (Keogh) plans	398,613	13,257,996	398,408	13,251,448	205	6,548
Moving expenses adjustment	53,349	346,675	53,337	346,583	12	92
Adjusted gross income	4,758,255	2,433,620,922	4,743,256	2,431,019,284	14,999	2,601,638
Investment interest expense deduction	619,250	9,586,690	614,785	9,393,869	4,465	192,821
Total tax preferences excluded from adjusted gross income [2]	1,396,057	50,744,256	1,383,039	47,380,999	13,018	3,363,257
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	28,095	2,551,042	27,694	2,546,272	402	4,769
Passive activity loss (alternative minimum tax adjustment)	583,552	492,947	580,319	493,269	3,234	-323
Expanded income	4,758,256	2,473,541,692	4,743,256	2,467,806,387	15,000	5,735,305

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 2011—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)
Exemption amount	4,755,857	51,273,152	4,740,882	51,149,856	14,975	123,295
Itemized deductions:						
Total per adjusted gross income concept	4,530,923	357,591,882	4,516,962	354,560,355	13,961	3,031,527
Total per expanded income concept	4,530,661	338,980,327	4,516,701	336,243,347	13,961	2,736,980
Charitable contributions deduction	4,216,624	73,697,155	4,204,020	73,064,199	12,604	632,956
Interest paid deduction:						
Total per adjusted gross income concept	3,704,822	75,340,205	3,697,115	74,979,877	7,707	360,328
Total per expanded income concept	3,535,712	65,753,516	3,530,191	65,586,008	5,521	167,507
Total home mortgage interest	3,528,113	65,461,741	3,522,627	65,294,745	5,486	166,996
Medical and dental expense deduction	152,916	3,925,269	144,765	3,319,474	8,152	605,794
Net casualty or theft loss deduction	5,406	498,934	5,070	346,191	336	152,744
Taxes paid deduction	4,525,646	181,888,820	4,511,738	181,169,096	13,909	719,724
Net limited miscellaneous deductions per adjusted gross income concept	680,307	16,125,647	670,907	15,664,828	9,400	460,819
Non-limited miscellaneous deductions	218,986	6,143,372	216,861	6,044,098	2,125	99,274
Excess of exemptions and deductions over adjusted gross income	13,890	2,907,500	5,357	1,908,617	8,533	998,883
Taxable income	4,744,357	2,025,080,746	4,737,897	2,024,647,157	6,460	433,589
Tax at regular rates	4,736,186	521,133,357	4,734,865	521,077,497	1,321	55,859
Alternative minimum tax (Form 6251)	3,274,919	28,338,456	3,274,076	28,328,681	843	9,775
Income tax before credits	4,744,893	549,477,255	4,743,148	549,411,621	1,745	65,634
Tax credits, total	2,358,567	18,391,545	2,356,822	18,325,911	1,745	65,634
Child care credit	409,877	220,064	409,842	220,045	35	19
Minimum tax credit	85,862	362,199	85,501	353,188	361	9,011
Foreign tax credit	0	0	0	0	0	0
General business credit	202,857	1,884,768	202,316	1,876,762	540	8,006
Refundable prior-year minimum tax credit used to offset income tax before credits	164,742	457,129	164,087	419,015	654	38,114
All other refundable credits used to offset income tax before credits	8,266	32,441	8,257	25,296	* 9	* 7,145
Worldwide total income tax	4,743,256	547,496,672	4,743,256	547,496,672	0	0
Foreign taxes paid	1,705,570	16,410,595	1,705,570	16,410,595	0	0
Foreign taxes paid on excluded foreign-earned income (Form 1116)	50,440	1,403,698	50,440	1,403,698	0	0
Taxable income which would yield:						
Income tax before credits	4,744,893	1,920,611,685	4,743,148	1,920,353,495	1,745	258,191
Income tax after credits	4,743,256	1,914,382,550	4,743,256	1,914,382,550	0	0
Worldwide total income tax	4,743,256	1,914,383,598	4,743,256	1,914,383,598	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	4,758,255	2,433,620,922	4,743,256	2,431,019,284	14,999	2,601,638
plus: Total tax preferences excluded from adjusted gross income [2]	1,396,057	50,744,256	1,383,039	47,380,999	13,018	3,363,257
Social Security benefits (nontaxable)	807,045	3,339,686	798,797	3,307,544	8,247	32,142
Foreign-earned income exclusion	75,416	6,869,371	75,144	6,822,933	272	46,437
minus: Investment interest expense deduction	619,250	9,586,690	614,785	9,393,869	4,465	192,821
Non-limited miscellaneous deductions	218,986	6,143,372	216,861	6,044,098	2,125	99,274
Unreimbursed employee business expenses	827,362	5,283,560	826,535	5,280,426	828	3,134
Equals: Expanded income	4,758,256	2,473,541,692	4,743,256	2,467,806,387	15,000	5,735,305

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

[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. This table is based on U.S. Individual Tax Returns. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. and worldwide income tax. 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.

Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011

[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	4,577,487	100.0	952,888	20.8	21,561	0.5	2,768,969	60.5
Interest paid deduction	1,768,333	38.6	0	0.0	4,043	18.8	1,631,172	58.9
Investment interest expense deduction [1]	39,277	0.9	3,484	0.4	0	0.0	27,177	1.0
Taxes paid deduction	1,345,413	29.4	861,766	90.4	11,768	54.6	0	0.0
Charitable contributions deduction	880,117	19.2	55,947	5.9	2,063	9.6	784,516	28.3
Medical and dental expense deduction	20,596	0.4	1,839	0.2	409	1.9	13,585	0.5
Net casualty or theft loss deduction	950	[2]	340	[2]	3	[2]	546	[2]
Total miscellaneous deductions	166,804	3.6	15,847	1.7	1,076	5.0	124,897	4.5
Foreign tax credit	68,887	1.5	371	[2]	451	2.1	48,644	1.8
General business credit	25,037	0.5	1,747	0.2	94	0.4	18,456	0.7
Refundable prior-year minimum tax credit used to offset income tax before credits	10,478	0.2	338	[2]	11	0.1	8,611	0.3
All other refundable tax credits used to offset income tax before credits	624	[2]	0	0.0	0	0.0	4	[2]
All other tax credits	32,197	0.7	3,025	0.3	387	1.8	21,776	0.8
Partnership and S Corporation net losses	56,174	1.2	5,934	0.6	1,085	5.0	36,778	1.3
Capital gains taxed at 0 percent	44,685	1.0	2,244	0.2	170	0.8	15,445	0.6
No second largest item	117,917	2.6	6	[2]	0	0.0	37,361	1.3
Returns with expanded income of \$200,000 or more								
Total	4,655,018	100.0	939,691	20.2	0	0.0	2,668,334	57.3
Interest paid deduction	1,737,111	37.3	0	0.0	0	0.0	1,607,840	60.3
Tax-exempt interest [3]	194,986	4.2	2,301	0.2	0	0.0	142,889	5.4
Taxes paid deduction	1,381,519	29.7	861,306	91.7	0	0.0	0	0.0
Charitable contributions deduction	771,334	16.6	57,260	6.1	0	0.0	662,770	24.8
Medical and dental expense deduction	22,132	0.5	1,839	0.2	0	0.0	11,250	0.4
Net casualty or theft loss deduction	948	[2]	381	[2]	0	0.0	503	[2]
Total miscellaneous deductions	62,974	1.4	1,489	0.2	0	0.0	32,721	1.2
Foreign tax credit	70,826	1.5	305	[2]	0	0.0	32,060	1.2
General business credit	24,293	0.5	1,803	0.2	0	0.0	16,657	0.6
Refundable prior-year minimum tax credit used to offset income tax before credits	10,336	0.2	341	[2]	0	0.0	** 7,640	** 0.3
All other refundable tax credits used to offset income tax before credits	311	[2]	0	0.0	0	0.0	**	**
All other tax credits	35,588	0.8	3,308	0.4	0	0.0	20,616	0.8
Partnership and S Corporation net losses	56,242	1.2	6,282	0.7	0	0.0	33,745	1.3
Foreign-earned income exclusion [3]	29,005	0.6	183	[2]	0	0.0	593	[2]
AMT tax preference [3]	3,136	0.1	3	[2]	0	0.0	2,556	0.1
Nontaxable Social Security benefits [3]	93,909	2.0	948	0.1	0	0.0	50,493	1.9
Capital gains taxed at 0 percent	51,028	1.1	1,942	0.2	0	0.0	12,390	0.5
No second largest item	109,340	2.3	0	0.0	0	0.0	33,613	1.3

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	349,027	7.6	30,804	0.7	2,130	[2]	110,357	2.4
Interest paid deduction	59,135	16.9	2,322	7.5	341	16.0	20,556	18.6
Investment interest expense deduction [1]	2,883	0.8	628	2.0	0	0.0	1,396	1.3
Taxes paid deduction	252,640	72.4	17,802	57.8	1,600	75.1	65,392	59.3
Charitable contributions deduction	0	0.0	3,201	10.4	11	0.5	11,054	10.0
Medical and dental expense deduction	1,381	0.4	0	0.0	0	0.0	2,115	1.9
Net casualty or theft loss deduction	43	[2]	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	13,962	4.0	2,210	7.2	138	6.5	0	0.0
Foreign tax credit	2,127	0.6	299	1.0	41	1.9	3,094	2.8
General business credit	1,775	0.5	183	0.6	0	0.0	119	0.1
Refundable prior-year minimum tax credit used to offset income tax before credits	269	0.1	0	0.0	0	0.0	111	0.1
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	1,806	0.5	0	0.0	0	0.0	554	0.5
Partnership and S Corporation net losses	3,997	1.1	28	0.1	0	0.0	2,581	2.3
Capital gains taxed at 0 percent	8,941	2.6	4,132	13.4	0	0.0	3,192	2.9
No second largest item	67	[2]	0	0.0	0	0.0	192	0.2
Returns with expanded income of \$200,000 or more								
Total	334,652	7.2	30,287	0.7	2,116	[2]	29,616	0.6
Interest paid deduction	59,046	17.6	2,310	7.6	341	16.1	2,742	9.3
Tax-exempt interest [3]	16,362	4.9	3,407	11.2	146	6.9	5,762	19.5
Taxes paid deduction	234,311	70.0	15,754	52.0	1,577	74.5	12,919	43.6
Charitable contributions deduction	0	0.0	2,538	8.4	11	0.5	3,140	10.6
Medical and dental expense deduction	1,253	0.4	0	0.0	0	0.0	675	2.3
Net casualty or theft loss deduction	43	[2]	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	5,072	1.5	2,102	6.9	0	0.0	0	0.0
Foreign tax credit	1,108	0.3	139	0.5	41	1.9	1,035	3.5
General business credit	1,632	0.5	183	0.6	0	0.0	26	0.1
Refundable prior-year minimum tax credit used to offset income tax before credits	222	0.1	0	0.0	0	0.0	147	0.5
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	1,807	0.5	0	0.0	0	0.0	47	0.2
Partnership and S Corporation net losses	3,507	1.0	27	0.1	0	0.0	1,053	3.6
Foreign-earned income exclusion [3]	134	[2]	12	[2]	0	0.0	24	0.1
AMT tax preference [3]	56	[2]	0	0.0	0	0.0	6	[2]
Nontaxable Social Security benefits [3]	1,963	0.6	706	2.3	0	0.0	302	1.0
Capital gains taxed at 0 percent	8,122	2.4	3,110	10.3	0	0.0	1,599	5.4
No second largest item	12	[2]	0	0.0	0	0.0	140	0.5

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	119,353	2.6	27,990	0.6	6,808	0.1	1,350	[2]
Interest paid deduction	14,457	12.1	5,544	19.8	589	8.6	600	44.5
Investment interest expense deduction [1]	755	0.6	166	0.6	146	2.1	**	**
Taxes paid deduction	40,648	34.1	13,288	47.5	4,533	66.6	** 147	** 10.9
Charitable contributions deduction	3,531	3.0	1,746	6.2	443	6.5	300	22.2
Medical and dental expense deduction	81	0.1	8	[2]	3	[2]	0	0.0
Net casualty or theft loss deduction	17	[2]	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	1,939	1.6	93	0.3	49	0.7	0	0.0
Foreign tax credit	0	0.0	1,328	4.7	193	2.8	0	0.0
General business credit	979	0.8	0	0.0	47	0.7	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	660	0.6	11	[2]	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	316	0.3	0	0.0	0	0.0	0	0.0
All other tax credits	1,790	1.5	495	1.8	306	4.5	300	22.2
Partnership and S Corporation net losses	2,501	2.1	462	1.7	22	0.3	0	0.0
Capital gains taxed at 0 percent	2,059	1.7	1,144	4.1	10	0.2	0	0.0
No second largest item	49,621	41.6	3,704	13.2	468	6.9	3	0.2
Returns with expanded income of \$200,000 or more								
Total	97,663	2.1	26,308	0.6	5,695	0.1	1,350	[2]
Interest paid deduction	8,746	9.0	5,223	19.9	589	10.3	600	44.5
Tax-exempt interest [3]	4,511	4.6	905	3.4	142	2.5	0	0.0
Taxes paid deduction	30,713	31.4	11,648	44.3	4,351	76.4	147	10.9
Charitable contributions deduction	2,496	2.6	1,687	6.4	341	6.0	300	22.2
Medical and dental expense deduction	15	[2]	0	0.0	3	0.1	0	0.0
Net casualty or theft loss deduction	3	[2]	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	616	0.6	22	0.1	11	0.2	0	0.0
Foreign tax credit	0	0.0	1,103	4.2	** 52	** 0.9	0	0.0
General business credit	180	0.2	0	0.0	**	**	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	** 284	** 0.3	51	0.2	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	544	0.6	478	1.8	165	2.9	300	22.2
Partnership and S Corporation net losses	1,010	1.0	452	1.7	15	0.3	0	0.0
Foreign-earned income exclusion [3]	27,721	28.4	0	0.0	0	0.0	0	0.0
AMT tax preference [3]	200	0.2	3	[2]	8	0.1	0	0.0
Nontaxable Social Security benefits [3]	3,518	3.6	1,034	3.9	4	0.1	0	0.0
Capital gains taxed at 0 percent	1,900	1.9	1,020	3.9	10	0.2	0	0.0
No second largest item	15,206	15.6	2,682	10.2	3	0.1	3	0.2

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	33,333	0.7	93,846	2.1	59,070	1.3	0	0.0
Interest paid deduction	5,028	15.1	16,132	17.2	8,414	14.2	0	0.0
Investment interest expense deduction [1]	**	**	2,190	2.3	372	0.6	0	0.0
Taxes paid deduction	** 11,174	** 33.5	42,173	44.9	22,564	38.2	0	0.0
Charitable contributions deduction	801	2.4	9,176	9.8	7,327	12.4	0	0.0
Medical and dental expense deduction	3	[2]	253	0.3	918	1.6	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	662	2.0	3,546	3.8	2,386	4.0	0	0.0
Foreign tax credit	3,839	11.5	4,626	4.9	3,873	6.6	0	0.0
General business credit	253	0.8	1,156	1.2	228	0.4	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	16	[2]	407	0.4	44	0.1	0	0.0
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	304	0.5	0	0.0
All other tax credits	0	0.0	892	0.9	866	1.5	0	0.0
Partnership and S Corporation net losses	303	0.9	0	0.0	2,484	4.2	0	0.0
Capital gains taxed at 0 percent	166	0.5	7,182	7.7	0	0.0	0	0.0
No second largest item	11,089	33.3	6,115	6.5	9,291	15.7	0	0.0
Returns with expanded income of \$200,000 or more								
Total	29,587	0.6	89,004	1.9	53,898	1.2	32,843	0.7
Interest paid deduction	5,757	19.5	16,146	18.1	7,752	14.4	6,439	19.6
Tax-exempt interest [3]	1,067	3.6	6,010	6.8	5,092	9.4	837	2.5
Taxes paid deduction	10,414	35.2	39,008	43.8	17,425	32.3	6,671	20.3
Charitable contributions deduction	783	2.6	8,568	9.6	5,654	10.5	1,087	3.3
Medical and dental expense deduction	3	[2]	206	0.2	443	0.8	169	0.5
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	12	[2]
Total miscellaneous deductions	330	1.1	1,905	2.1	1,244	2.3	164	0.5
Foreign tax credit	1,710	5.8	2,266	2.5	1,438	2.7	11,479	35.0
General business credit	57	0.2	1,314	1.5	221	0.4	31	0.1
Refundable prior-year minimum tax credit used to offset income tax before credits	15	0.1	449	0.5	44	0.1	3	[2]
All other refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	304	0.6	0	0.0
All other tax credits	0	0.0	883	1.0	718	1.3	413	1.3
Partnership and S Corporation net losses	178	0.6	0	0.0	2,249	4.2	232	0.7
Foreign-earned income exclusion [3]	4	[2]	58	0.1	162	0.3	0	0.0
AMT tax preference [3]	13	[2]	166	0.2	0	0.0	72	0.2
Nontaxable Social Security benefits [3]	667	2.3	1,510	1.7	7,497	13.9	416	1.3
Capital gains taxed at 0 percent	165	0.6	7,162	8.0	0	0.0	579	1.8
No second largest item	8,425	28.5	3,353	3.8	3,656	6.8	4,239	12.9

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	240,589	5.2	5,802	0.1	67,582	1.5
Interest paid deduction	8,217	3.4	161	2.8	5,202	7.7
Tax-exempt interest [3]	0	0.0	43	0.7	5,510	8.2
Taxes paid deduction	117,781	49.0	4,644	80.0	12,849	19.0
Charitable contributions deduction	24,198	10.1	432	7.4	71	0.1
Medical and dental expense deduction	6,274	2.6	3	0.1	0	0.0
Net casualty or theft loss deduction	7	[2]	0	0.0	0	0.0
Total miscellaneous deductions	17,275	7.2	25	0.4	0	0.0
Foreign tax credit	10,250	4.3	** 33	** 0.6	7,813	11.6
General business credit	1,819	0.8	**	**	366	0.5
Refundable prior-year minimum tax credit used to offset income tax before credits	391	0.2	157	2.7	599	0.9
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	3,045	1.3	17	0.3	3,247	4.8
Partnership and S Corporation net losses	5,080	2.1	147	2.5	2,265	3.4
Foreign-earned income exclusion [3]	110	[2]	3	[2]	0	0.0
AMT tax preference [3]	50	[2]	0	0.0	3	[2]
Nontaxable Social Security benefits [3]	24,811	10.3	40	0.7	0	0.0
Capital gains taxed at 0 percent	12,974	5.4	55	0.9	0	0.0
No second largest item	8,306	3.5	43	0.7	29,658	43.9

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	19,563	100.0	166	0.8	716	3.7	375	1.9
Interest paid deduction	3,527	18.0	0	0.0	93	13.0	41	10.9
Investment interest expense deduction [1]	762	3.9	11	6.6	0	0.0	29	7.7
Taxes paid deduction	3,499	17.9	53	31.9	143	20.0	0	0.0
Charitable contributions deduction	2,093	10.7	26	15.7	119	16.6	85	22.7
Medical and dental expense deduction	301	1.5	7	4.2	14	2.0	15	4.0
Net casualty or theft loss deduction	19	0.1	0	0.0	0	0.0	**	**
Total miscellaneous deductions	1,184	6.1	17	10.2	76	10.6	** 53	** 14.1
Foreign tax credit	195	1.0	3	1.8	8	1.1	20	5.3
General business credit	186	0.9	9	5.4	** 9	** 1.3	23	6.1
Refundable prior-year minimum tax credit used to offset income tax before credits	71	0.4	0	0.0	**	**	0	0.0
All other refundable tax credits used to offset income tax before credits	3	[2]	0	0.0	0	0.0	0	0.0
All other tax credits	259	1.3	9	5.4	6	0.8	7	1.9
Partnership and S Corporation net losses	1,159	5.9	11	6.6	180	25.1	82	21.9
Capital gains taxed at 0 percent	1,186	6.1	20	12.0	68	9.5	20	5.3
No second largest item	5,119	26.2	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more								
Total	32,902	100.0	184	0.6	0	0.0	513	1.6
Interest paid deduction	2,413	7.3	0	0.0	0	0.0	55	10.7
Tax-exempt interest [3]	2,028	6.2	17	9.2	0	0.0	116	22.6
Taxes paid deduction	4,426	13.5	56	30.4	0	0.0	0	0.0
Charitable contributions deduction	2,786	8.5	31	16.8	0	0.0	96	18.7
Medical and dental expense deduction	1,925	5.9	** 8	** 4.3	0	0.0	** 23	** 4.5
Net casualty or theft loss deduction	35	0.1	**	**	0	0.0	**	**
Total miscellaneous deductions	1,860	5.7	18	9.8	0	0.0	47	9.2
Foreign tax credit	2,159	6.6	3	1.6	0	0.0	17	3.3
General business credit	188	0.6	7	3.8	0	0.0	26	5.1
Refundable prior-year minimum tax credit used to offset income tax before credits	17	0.1	0	0.0	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	3	[2]	0	0.0	0	0.0	0	0.0
All other tax credits	227	0.7	8	4.3	0	0.0	7	1.4
Partnership and S Corporation net losses	1,529	4.6	7	3.8	0	0.0	90	17.6
Foreign-earned income exclusion [3]	8,192	24.9	5	2.7	0	0.0	3	0.6
AMT tax preference [3]	12	[2]	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	492	1.5	**	**	0	0.0	10	1.9
Capital gains taxed at 0 percent	1,892	5.7	** 24	** 13.0	0	0.0	23	4.5
No second largest item	2,719	8.3	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	1,444	7.4	1,257	6.4	285	1.5	2,349	12.0
Interest paid deduction	172	11.9	68	5.4	81	28.4	463	19.7
Investment interest expense deduction [1]	117	8.1	18	1.4	6	2.1	58	2.5
Taxes paid deduction	276	19.1	397	31.6	110	38.6	979	41.7
Charitable contributions deduction	0	0.0	301	24.0	22	7.7	249	10.6
Medical and dental expense deduction	116	8.0	0	0.0	8	2.8	89	3.8
Net casualty or theft loss deduction	0	0.0	**	**	0	0.0	7	0.3
Total miscellaneous deductions	196	13.6	** 288	** 22.9	** 32	** 11.2	0	0.0
Foreign tax credit	75	5.2	5	0.4	**	**	22	0.9
General business credit	** 51	** 3.5	**	**	0	0.0	20	0.9
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	33	2.3	5	0.4	0	0.0	13	0.6
Partnership and S Corporation net losses	149	10.3	25	2.0	11	3.9	314	13.4
Capital gains taxed at 0 percent	** 259	** 18.0	150	11.9	11	3.9	67	2.9
No second largest item	**	**	0	0.0	4	1.4	67	2.9
Returns with expanded income of \$200,000 or more								
Total	1,472	4.5	1,908	5.8	292	0.9	380	1.2
Interest paid deduction	161	10.9	57	3.0	83	28.4	18	4.7
Tax-exempt interest [3]	251	17.1	823	43.1	23	7.9	85	22.4
Taxes paid deduction	265	18.0	300	15.7	103	35.3	52	13.7
Charitable contributions deduction	0	0.0	** 219	** 11.5	** 19	** 6.5	83	21.8
Medical and dental expense deduction	** 106	** 7.2	0	0.0	8	2.7	** 72	** 19.0
Net casualty or theft loss deduction	**	**	3	0.2	0	0.0	**	**
Total miscellaneous deductions	140	9.5	** 245	** 12.8	21	7.2	0	0.0
Foreign tax credit	61	4.1	**	**	**	**	5	1.3
General business credit	** 44	** 3.0	**	**	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	27	1.8	**	**	0	0.0	4	1.1
Partnership and S Corporation net losses	131	8.9	20	1.0	11	3.8	41	10.8
Foreign-earned income exclusion [3]	5	0.3	3	0.2	**	**	**	**
AMT tax preference [3]	**	**	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	29	2.0	81	4.2	10	3.4	3	0.8
Capital gains taxed at 0 percent	** 251	** 17.1	157	8.2	** 10	** 3.4	** 14	** 3.7
No second largest item	**	**	0	0.0	4	1.4	0	0.0

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	10,860	55.5	162	0.8	339	1.7	22	0.1
Interest paid deduction	2,308	21.3	58	35.7	0	0.0	0	0.0
Investment interest expense deduction [1]	151	1.4	3	1.8	140	41.3	0	0.0
Taxes paid deduction	1,208	11.1	39	24.3	0	0.0	6	27.3
Charitable contributions deduction	856	7.9	** 22	** 13.5	144	42.4	0	0.0
Medical and dental expense deduction	30	0.3	**	**	0	0.0	0	0.0
Net casualty or theft loss deduction	**	**	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	** 326	** 3.0	** 13	** 8.0	** 14	** 4.1	0	0.0
Foreign tax credit	0	0.0	**	**	0	0.0	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	48	0.4	0	0.0	0	0.0	0	0.0
All other refundable tax credits used to offset income tax before credits	3	[2]	0	0.0	0	0.0	0	0.0
All other tax credits	113	1.0	0	0.0	** 41	** 12.2	0	0.0
Partnership and S Corporation net losses	350	3.2	7	4.3	**	**	11	50.2
Capital gains taxed at 0 percent	429	4.0	** 20	** 12.3	0	0.0	5	22.4
No second largest item	5,037	46.4	**	**	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more								
Total	14,073	42.8	172	0.5	339	1.0	22	0.1
Interest paid deduction	1,182	8.4	60	34.8	6	1.9	0	0.0
Tax-exempt interest [3]	129	0.9	8	4.6	41	12.2	0	0.0
Taxes paid deduction	797	5.7	40	23.5	140	41.3	6	27.3
Charitable contributions deduction	527	3.7	** 23	** 13.3	144	42.4	0	0.0
Medical and dental expense deduction	** 20	** 0.1	**	**	0	0.0	0	0.0
Net casualty or theft loss deduction	**	**	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	91	0.6	10	5.8	** 7	** 2.2	0	0.0
Foreign tax credit	0	0.0	**	**	0	0.0	0	0.0
General business credit	4	[2]	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	0	0.0
All other refundable tax credits used to offset income tax before credits	3	[2]	0	0.0	0	0.0	0	0.0
All other tax credits	55	0.4	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	235	1.7	8	4.6	0	0.0	11	50.2
Foreign-earned income exclusion [3]	8,165	58.0	0	0.0	0	0.0	0	0.0
AMT tax preference [3]	**	**	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	84	0.6	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	** 354	** 2.5	** 23	** 13.3	0	0.0	5	22.4
No second largest item	2,428	17.3	**	**	0	0.0	0	0.0

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	277	1.4	1,024	5.2	287	1.5	0	0.0
Interest paid deduction	48	17.3	33	3.2	162	56.4	0	0.0
Investment interest expense deduction [1]	8	2.9	210	20.5	11	3.8	0	0.0
Taxes paid deduction	75	27.0	189	18.5	23	8.0	0	0.0
Charitable contributions deduction	** 33	** 11.9	214	20.9	26	9.1	0	0.0
Medical and dental expense deduction	**	**	12	1.2	6	2.1	0	0.0
Net casualty or theft loss deduction	**	**	**	**	5	1.7	0	0.0
Total miscellaneous deductions	** 49	** 17.8	** 128	** 12.5	12	4.2	0	0.0
Foreign tax credit	**	**	51	5.0	7	2.4	0	0.0
General business credit	** 11	** 4.0	53	5.1	12	4.2	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	**	**	12	1.2	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	0	0.0
All other tax credits	0	0.0	19	1.9	** 16	** 5.6	0	0.0
Partnership and S Corporation net losses	15	5.4	0	0.0	**	**	0	0.0
Capital gains taxed at 0 percent	38	13.7	103	10.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	7	2.4	0	0.0
Returns with expanded income of \$200,000 or more								
Total	276	0.8	1,187	3.6	389	1.2	2,367	7.2
Interest paid deduction	46	16.6	23	1.9	169	43.4	111	4.7
Tax-exempt interest [3]	63	22.9	395	33.3	61	15.7	11	0.5
Taxes paid deduction	73	26.4	209	17.6	30	7.7	72	3.0
Charitable contributions deduction	** 28	** 10.1	206	17.3	** 33	** 8.5	** 34	** 1.4
Medical and dental expense deduction	** 4	** 1.4	15	1.3	20	5.1	** 11	** 0.5
Net casualty or theft loss deduction	**	**	3	0.3	3	0.8	**	**
Total miscellaneous deductions	4	1.4	86	7.2	18	4.6	** 7	** 0.3
Foreign tax credit	**	**	55	4.6	15	3.9	1,979	83.6
General business credit	** 11	** 4.0	57	4.8	13	3.3	**	**
Refundable prior-year minimum tax credit used to offset income tax before credits	**	**	12	1.0	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	21	1.8	15	3.9	12	0.5
Partnership and S Corporation net losses	12	4.3	0	0.0	5	1.3	**	**
Foreign-earned income exclusion [3]	**	**	**	**	0	0.0	0	0.0
AMT tax preference [3]	**	**	5	0.4	0	0.0	**	**
Nontaxable Social Security benefits [3]	3	1.1	0	0.0	7	1.8	**	**
Capital gains taxed at 0 percent	** 32	** 11.6	** 101	** 8.5	0	0.0	** 30	** 1.3
No second largest item	0	0.0	0	0.0	**	**	100	4.2

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	9,307	28.3	6	[2]	12	[2]
Interest paid deduction	439	4.7	0	0.0	4	33.3
Tax-exempt interest [3]	0	0.0	**	**	**	**
Taxes paid deduction	2,283	24.5	0	0.0	0	0.0
Charitable contributions deduction	1,366	14.7	** 6	** 100.0	** 8	** 66.7
Medical and dental expense deduction	1,640	17.6	**	**	**	**
Net casualty or theft loss deduction	18	0.2	0	0.0	0	0.0
Total miscellaneous deductions	1,169	12.6	0	0.0	0	0.0
Foreign tax credit	15	0.2	**	**	0	0.0
General business credit	** 24	** 0.3	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
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	73	0.8	**	**	0	0.0
Partnership and S Corporation net losses	949	10.2	0	0.0	**	**
Foreign-earned income exclusion [3]	5	0.1	0	0.0	0	0.0
AMT tax preference [3]	**	**	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	262	2.8	0	0.0	0	0.0
Capital gains taxed at 0 percent	** 886	** 9.5	0	0.0	0	0.0
No second largest item	178	1.9	0	0.0	**	**

** 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. This table is based on U.S. Individual Tax Returns. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. and worldwide income tax. 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. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011

[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	4,534,836	100.0	969,677	21.4	22,521	0.5	2,810,909	62.0
Interest paid deduction	1,780,708	39.3	0	0.0	4,170	18.5	1,655,304	58.9
Investment interest expense deduction [1]	41,752	0.9	3,704	0.4	0	0.0	29,666	1.1
Taxes paid deduction	1,330,889	29.3	876,582	90.4	12,527	55.6	0	0.0
Charitable contributions deduction	915,565	20.2	56,896	5.9	2,187	9.7	820,590	29.2
Medical and dental expense deduction	21,064	0.5	1,847	0.2	410	1.8	14,064	0.5
Net casualty or theft loss deduction	934	[2]	341	[2]	3	[2]	546	[2]
Total miscellaneous deductions	172,057	3.8	16,156	1.7	1,212	5.4	130,057	4.6
General business credit	24,606	0.5	1,790	0.2	96	0.4	18,869	0.7
Refundable prior-year minimum tax credit used to offset income tax before credits	10,216	0.2	354	[2]	15	0.1	8,913	0.3
All other refundable tax credits used to offset income tax before credits	346	[2]	0	0.0	0	0.0	33	[2]
All other tax credits	32,306	0.7	3,135	0.3	393	1.7	23,118	0.8
Partnership and S Corporation net losses	56,585	1.2	6,143	0.6	1,124	5.0	38,847	1.4
Capital gains taxed at 0 percent	44,428	1.0	2,273	0.2	344	1.5	16,115	0.6
No second largest item	103,380	2.3	458	[2]	40	0.2	54,787	1.9
Returns with expanded income of \$200,000 or more								
Total	4,655,284	100.0	949,645	20.4	0	0.0	2,699,929	58.0
Interest paid deduction	1,758,768	37.8	0	0.0	0	0.0	1,626,392	60.2
Tax-exempt interest [3]	202,209	4.3	2,523	0.3	0	0.0	147,934	5.5
Taxes paid deduction	1,378,334	29.6	870,407	91.7	0	0.0	0	0.0
Charitable contributions deduction	792,839	17.0	57,624	6.1	0	0.0	683,506	25.3
Medical and dental expense deduction	22,444	0.5	1,842	0.2	0	0.0	11,256	0.4
Net casualty or theft loss deduction	961	[2]	382	[2]	0	0.0	503	[2]
Total miscellaneous deductions	65,981	1.4	1,555	0.2	0	0.0	34,557	1.3
General business credit	24,696	0.5	1,844	0.2	0	0.0	16,989	0.6
Refundable prior-year minimum tax credit used to offset income tax before credits	10,407	0.2	349	[2]	0	0.0	7,789	0.3
All other refundable tax credits used to offset income tax before credits	337	[2]	0	0.0	0	0.0	15	[2]
All other tax credits	38,431	0.8	3,365	0.4	0	0.0	21,442	0.8
Partnership and S Corporation net losses	58,618	1.3	6,429	0.7	0	0.0	34,987	1.3
Foreign-earned income exclusion [3]	3,064	0.1	298	[2]	0	0.0	1,690	0.1
AMT tax preference [3]	3,051	0.1	3	[2]	0	0.0	2,569	0.1
Nontaxable Social Security benefits [3]	94,716	2.0	949	0.1	0	0.0	51,999	1.9
Capital gains taxed at 0 percent	51,460	1.1	1,953	0.2	0	0.0	12,865	0.5
No second largest item	148,968	3.2	121	[2]	0	0.0	45,436	1.7

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	353,754	7.8	30,950	0.7	2,156	[2]	112,693	2.5
Interest paid deduction	60,199	17.0	2,331	7.5	343	15.9	21,114	18.7
Investment interest expense deduction [1]	3,080	0.9	629	2.0	0	0.0	1,553	1.4
Taxes paid deduction	256,263	72.4	18,172	58.7	1,649	76.5	67,848	60.2
Charitable contributions deduction	0	0.0	3,217	10.4	11	0.5	12,572	11.2
Medical and dental expense deduction	1,393	0.4	0	0.0	0	0.0	2,156	1.9
Net casualty or theft loss deduction	43	[2]	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	14,749	4.2	2,212	7.1	139	6.5	0	0.0
General business credit	1,810	0.5	183	0.6	0	0.0	127	0.1
Refundable prior-year minimum tax credit used to offset income tax before credits	281	0.1	0	0.0	0	0.0	111	0.1
All other refundable tax credits used to offset income tax before credits	3	[2]	0	0.0	0	0.0	0	0.0
All other tax credits	1,849	0.5	5	[2]	0	0.0	576	0.5
Partnership and S Corporation net losses	4,151	1.2	29	0.1	0	0.0	2,739	2.4
Capital gains taxed at 0 percent	9,361	2.6	4,156	13.4	12	0.6	3,425	3.0
No second largest item	572	0.2	17	0.1	3	0.1	471	0.4
Returns with expanded income of \$200,000 or more								
Total	338,020	7.3	30,363	0.7	2,126	[2]	30,351	0.7
Interest paid deduction	59,741	17.7	2,315	7.6	343	16.1	2,935	9.7
Tax-exempt interest [3]	16,611	4.9	3,421	11.3	188	8.8	5,890	19.4
Taxes paid deduction	236,842	70.1	15,919	52.4	1,582	74.4	13,621	44.9
Charitable contributions deduction	0	0.0	2,541	8.4	11	0.5	3,439	11.3
Medical and dental expense deduction	1,258	0.4	0	0.0	0	0.0	678	2.2
Net casualty or theft loss deduction	43	[2]	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	5,353	1.6	2,104	6.9	0	0.0	0	0.0
General business credit	1,669	0.5	183	0.6	0	0.0	28	0.1
Refundable prior-year minimum tax credit used to offset income tax before credits	226	0.1	0	0.0	0	0.0	148	0.5
All other refundable tax credits used to offset income tax before credits	3	[2]	0	0.0	0	0.0	0	0.0
All other tax credits	1,830	0.5	**	**	0	0.0	**	**
Partnership and S Corporation net losses	3,566	1.1	** 29	** 0.1	0	0.0	** 1,154	** 3.8
Foreign-earned income exclusion [3]	317	0.1	14	[2]	3	0.1	88	0.3
AMT tax preference [3]	61	[2]	0	0.0	0	0.0	6	[2]
Nontaxable Social Security benefits [3]	2,111	0.6	706	2.3	0	0.0	454	1.5
Capital gains taxed at 0 percent	8,300	2.5	3,128	10.3	0	0.0	1,727	5.7
No second largest item	90	[2]	3	[2]	0	0.0	182	0.6

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	29,033	0.6	7,530	0.2	1,684	[2]	35,345	0.8
Interest paid deduction	5,576	19.2	591	7.9	** 601	** 35.7	** 5,235	** 14.8
Investment interest expense deduction [1]	169	0.6	148	2.0	**	**	**	**
Taxes paid deduction	14,059	48.4	4,689	62.3	152	9.0	11,565	32.7
Charitable contributions deduction	1,788	6.2	457	6.1	303	18.0	826	2.3
Medical and dental expense deduction	8	[2]	3	[2]	0	0.0	3	[2]
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	113	0.4	74	1.0	0	0.0	670	1.9
General business credit	0	0.0	48	0.6	0	0.0	257	0.7
Refundable prior-year minimum tax credit used to offset income tax before credits	11	[2]	0	0.0	0	0.0	24	0.1
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	795	2.7	345	4.6	300	17.8	0	0.0
Partnership and S Corporation net losses	467	1.6	24	0.3	11	0.7	493	1.4
Capital gains taxed at 0 percent	1,149	4.0	10	0.1	0	0.0	201	0.6
No second largest item	4,897	16.9	1,141	15.1	316	18.8	16,072	45.5
Returns with expanded income of \$200,000 or more								
Total	26,560	0.6	5,989	0.1	1,373	[2]	30,296	0.7
Interest paid deduction	5,254	19.8	595	9.9	600	43.7	5,794	19.1
Tax-exempt interest [3]	926	3.5	184	3.1	0	0.0	1,091	3.6
Taxes paid deduction	11,986	45.1	4,489	75.0	150	11.0	10,533	34.8
Charitable contributions deduction	1,742	6.6	343	5.7	303	22.1	795	2.6
Medical and dental expense deduction	0	0.0	3	0.1	0	0.0	4	[2]
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	29	0.1	** 31	** 0.5	0	0.0	**	**
General business credit	0	0.0	**	**	0	0.0	** 391	** 1.3
Refundable prior-year minimum tax credit used to offset income tax before credits	51	0.2	0	0.0	0	0.0	15	0.1
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	779	2.9	165	2.7	300	21.8	0	0.0
Partnership and S Corporation net losses	** 460	** 1.7	15	0.3	** 16	** 1.2	202	0.7
Foreign-earned income exclusion [3]	**	**	0	0.0	**	**	22	0.1
AMT tax preference [3]	**	**	8	0.1	0	0.0	14	[2]
Nontaxable Social Security benefits [3]	** 1,041	** 3.9	4	0.1	0	0.0	667	2.2
Capital gains taxed at 0 percent	1,027	3.9	10	0.2	0	0.0	183	0.6
No second largest item	3,267	12.3	141	2.4	3	0.2	10,585	34.9

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	96,956	2.1	61,628	1.4	0	0.0
Interest paid deduction	16,450	17.0	8,882	14.4	0	0.0
Investment interest expense deduction [1]	2,307	2.4	406	0.7	0	0.0
Taxes paid deduction	43,075	44.4	24,309	39.4	0	0.0
Charitable contributions deduction	9,349	9.6	7,370	12.0	0	0.0
Medical and dental expense deduction	255	0.3	925	1.5	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	3,822	3.9	2,854	4.6	0	0.0
General business credit	1,194	1.2	231	0.4	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	419	0.4	88	0.1	0	0.0
All other refundable tax credits used to offset income tax before credits	6	[2]	304	0.5	0	0.0
All other tax credits	917	0.9	875	1.4	0	0.0
Partnership and S Corporation net losses	0	0.0	2,555	4.1	0	0.0
Capital gains taxed at 0 percent	7,383	7.6	0	0.0	0	0.0
No second largest item	11,779	12.1	12,828	20.8	0	0.0
Returns with expanded income of \$200,000 or more						
Total	90,529	1.9	56,266	1.2	70,839	1.5
Interest paid deduction	16,354	18.1	8,299	14.7	16,181	22.8
Tax-exempt interest [3]	6,460	7.1	5,739	10.2	4,004	5.7
Taxes paid deduction	39,769	43.9	18,658	33.2	14,948	21.1
Charitable contributions deduction	8,708	9.6	5,688	10.1	3,066	4.3
Medical and dental expense deduction	208	0.2	452	0.8	436	0.6
Net casualty or theft loss deduction	0	0.0	0	0.0	26	[2]
Total miscellaneous deductions	2,138	2.4	1,698	3.0	661	0.9
General business credit	1,346	1.5	226	0.4	88	0.1
Refundable prior-year minimum tax credit used to offset income tax before credits	464	0.5	48	0.1	161	0.2
All other refundable tax credits used to offset income tax before credits	0	0.0	304	0.5	14	[2]
All other tax credits	894	1.0	729	1.3	1,692	2.4
Partnership and S Corporation net losses	0	0.0	2,312	4.1	1,156	1.6
Foreign-earned income exclusion [3]	158	0.2	264	0.5	0	0.0
AMT tax preference [3]	166	0.2	**	**	153	0.2
Nontaxable Social Security benefits [3]	1,540	1.7	** 7,594	** 13.5	867	1.2
Capital gains taxed at 0 percent	7,343	8.1	0	0.0	1,483	2.1
No second largest item	4,983	5.5	4,254	7.6	25,901	36.6

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	245,809	5.3	6,006	0.1	71,184	1.5
Interest paid deduction	8,450	3.4	162	2.7	5,352	7.5
Tax-exempt interest [3]	0	0.0	63	1.1	7,174	10.1
Taxes paid deduction	120,027	48.8	4,801	79.9	14,601	20.5
Charitable contributions deduction	24,559	10.0	437	7.3	78	0.1
Medical and dental expense deduction	6,304	2.6	3	[2]	0	0.0
Net casualty or theft loss deduction	7	[2]	0	0.0	0	0.0
Total miscellaneous deductions	17,498	7.1	** 27	** 0.4	**	**
General business credit	1,897	0.8	**	**	** 368	** 0.5
Refundable prior-year minimum tax credit used to offset income tax before credits	399	0.2	157	2.6	599	0.8
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	3,901	1.6	17	0.3	3,263	4.6
Partnership and S Corporation net losses	5,638	2.3	147	2.5	2,567	3.6
Foreign-earned income exclusion [3]	174	0.1	30	0.5	0	0.0
AMT tax preference [3]	63	[2]	0	0.0	3	[2]
Nontaxable Social Security benefits [3]	26,736	10.9	52	0.9	0	0.0
Capital gains taxed at 0 percent	13,376	5.4	55	0.9	10	[2]
No second largest item	16,780	6.8	54	0.9	37,168	52.2

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	7,557	100.0	141	1.9	663	8.8	291	3.9
Interest paid deduction	1,114	14.7	0	0.0	91	13.7	36	12.4
Investment interest expense deduction [1]	567	7.5	9	6.4	0	0.0	26	8.9
Taxes paid deduction	2,145	28.4	49	34.8	137	20.7	0	0.0
Charitable contributions deduction	1,159	15.3	25	17.7	115	17.4	83	28.5
Medical and dental expense deduction	259	3.4	6	4.3	13	2.0	14	4.8
Net casualty or theft loss deduction	18	0.2	0	0.0	0	0.0	**	**
Total miscellaneous deductions	766	10.1	14	9.9	** 78	** 11.8	** 47	** 16.1
General business credit	** 126	** 1.7	7	5.0	**	**	17	5.8
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	99	1.3	4	2.8	3	0.5	4	1.4
Partnership and S Corporation net losses	701	9.3	10	7.1	171	25.8	49	16.8
Capital gains taxed at 0 percent	519	6.9	17	12.1	55	8.3	15	5.2
No second largest item	82	1.1	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more								
Total	15,000	100.0	158	1.1	0	0.0	428	2.9
Interest paid deduction	1,065	7.1	0	0.0	0	0.0	50	11.7
Tax-exempt interest [3]	1,724	11.5	15	9.5	0	0.0	114	26.6
Taxes paid deduction	3,423	22.8	51	32.3	0	0.0	0	0.0
Charitable contributions deduction	2,056	13.7	29	18.4	0	0.0	91	21.3
Medical and dental expense deduction	1,859	12.4	** 7	** 4.4	0	0.0	** 22	** 5.1
Net casualty or theft loss deduction	34	0.2	**	**	0	0.0	**	**
Total miscellaneous deductions	1,667	11.1	15	9.5	0	0.0	43	10.0
General business credit	118	0.8	7	4.4	0	0.0	19	4.4
Refundable prior-year minimum tax credit used to offset income tax before credits	4	[2]	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	94	0.6	4	2.5	0	0.0	5	1.2
Partnership and S Corporation net losses	1,188	7.9	** 9	** 5.7	0	0.0	56	13.1
Foreign-earned income exclusion [3]	11	0.1	3	1.9	0	0.0	0	0.0
AMT tax preference [3]	8	0.1	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	408	2.7	**	**	0	0.0	10	2.3
Capital gains taxed at 0 percent	1,066	7.1	18	11.4	0	0.0	18	4.2
No second largest item	274	1.8	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	1,104	14.6	1,222	16.2	277	3.7	2,272	30.1
Interest paid deduction	118	10.7	66	5.4	79	28.5	461	20.3
Investment interest expense deduction [1]	109	9.9	17	1.4	6	2.2	55	2.4
Taxes paid deduction	256	23.2	394	32.2	106	38.3	966	42.5
Charitable contributions deduction	0	0.0	301	24.7	22	7.9	244	10.7
Medical and dental expense deduction	113	10.2	0	0.0	8	2.9	89	3.9
Net casualty or theft loss deduction	0	0.0	**	**	0	0.0	7	0.3
Total miscellaneous deductions	171	15.5	** 288	** 23.6	30	10.8	0	0.0
General business credit	27	2.4	**	**	0	0.0	18	0.8
Refundable prior-year minimum tax credit used to offset income tax before credits	0	0.0	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	14	1.3	3	0.2	0	0.0	11	0.5
Partnership and S Corporation net losses	119	10.8	24	2.0	11	4.0	304	13.4
Capital gains taxed at 0 percent	** 177	** 16.0	129	10.6	11	4.0	49	2.2
No second largest item	**	**	0	0.0	4	1.4	67	2.9
Returns with expanded income of \$200,000 or more								
Total	1,126	7.5	1,866	12.4	285	1.9	352	2.3
Interest paid deduction	105	9.3	55	2.9	81	28.4	18	5.1
Tax-exempt interest [3]	190	16.9	810	43.4	22	7.7	80	22.7
Taxes paid deduction	246	21.8	298	16.0	100	35.1	50	14.2
Charitable contributions deduction	0	0.0	210	11.3	18	6.3	80	22.7
Medical and dental expense deduction	** 104	** 9.2	0	0.0	8	2.8	** 72	** 20.5
Net casualty or theft loss deduction	**	**	3	0.2	0	0.0	**	**
Total miscellaneous deductions	125	11.1	244	13.1	21	7.4	0	0.0
General business credit	28	2.5	**	**	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	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	12	1.1	** 4	** 0.2	0	0.0	** 4	** 1.1
Partnership and S Corporation net losses	113	10.1	** 21	** 1.1	** 12	** 4.2	** 39	** 11.1
Foreign-earned income exclusion [3]	0	0.0	**	**	**	**	**	**
AMT tax preference [3]	**	**	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	** 30	** 2.7	81	4.3	10	3.5	3	0.9
Capital gains taxed at 0 percent	** 173	** 15.4	140	7.5	9	3.2	6	1.7
No second largest item	**	**	0	0.0	4	1.4	0	0.0

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	105	1.4	324	4.3	8	0.1	168	2.2
Interest paid deduction	46	43.7	0	0.0	0	0.0	31	18.4
Investment interest expense deduction [1]	** 3	** 2.9	140	43.2	0	0.0	** 6	** 3.6
Taxes paid deduction	22	21.2	0	0.0	3	37.6	39	23.2
Charitable contributions deduction	12	11.4	143	44.1	0	0.0	21	12.5
Medical and dental expense deduction	**	**	0	0.0	0	0.0	**	**
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	**	**
Total miscellaneous deductions	4	3.8	0	0.0	0	0.0	** 42	** 25.2
General business credit	0	0.0	0	0.0	0	0.0	** 10	** 5.9
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	** 41	** 12.8	0	0.0	0	0.0
Partnership and S Corporation net losses	3	2.9	**	**	0	0.0	7	4.2
Capital gains taxed at 0 percent	** 15	** 14.3	0	0.0	5	62.4	12	7.1
No second largest item	**	**	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more								
Total	105	0.7	323	2.2	8	0.1	166	1.1
Interest paid deduction	47	44.6	0	0.0	0	0.0	29	17.4
Tax-exempt interest [3]	**	**	40	12.5	0	0.0	45	27.3
Taxes paid deduction	21	20.2	140	43.3	3	37.6	41	24.6
Charitable contributions deduction	11	10.5	143	44.2	0	0.0	17	10.2
Medical and dental expense deduction	** 10	** 9.5	0	0.0	0	0.0	** 3	** 1.8
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	** 10	** 6.0
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	0	0.0	0	0.0	0	0.0
Partnership and S Corporation net losses	**	**	0	0.0	0	0.0	** 6	** 3.6
Foreign-earned income exclusion [3]	0	0.0	0	0.0	0	0.0	**	**
AMT tax preference [3]	0	0.0	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	0	0.0	0	0.0	0	0.0	3	1.8
Capital gains taxed at 0 percent	** 16	** 15.2	0	0.0	5	62.4	12	7.2
No second largest item	**	**	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	764	10.1	217	2.9	0	0.0
Interest paid deduction	30	3.9	156	71.9	0	0.0
Investment interest expense deduction [1]	192	25.1	** 9	** 4.2	0	0.0
Taxes paid deduction	163	21.3	10	4.6	0	0.0
Charitable contributions deduction	180	23.5	13	6.0	0	0.0
Medical and dental expense deduction	11	1.4	**	**	0	0.0
Net casualty or theft loss deduction	3	0.4	**	**	0	0.0
Total miscellaneous deductions	101	13.2	** 6	** 2.8	0	0.0
General business credit	31	4.1	9	4.2	0	0.0
Refundable prior-year minimum tax credit used to offset income tax before credits	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	15	2.0	** 7	** 3.2	0	0.0
Partnership and S Corporation net losses	0	0.0	**	**	0	0.0
Capital gains taxed at 0 percent	38	5.0	0	0.0	0	0.0
No second largest item	0	0.0	7	3.2	0	0.0
Returns with expanded income of \$200,000 or more						
Total	907	6.0	273	1.8	257	1.7
Interest paid deduction	22	2.4	159	58.2	72	28.0
Tax-exempt interest [3]	364	40.1	30	11.0	7	2.7
Taxes paid deduction	180	19.8	21	7.7	62	24.1
Charitable contributions deduction	168	18.5	12	4.4	**	**
Medical and dental expense deduction	14	1.5	** 23	** 8.4	** 18	** 7.0
Net casualty or theft loss deduction	3	0.3	3	1.1	**	**
Total miscellaneous deductions	71	7.8	6	2.2	**	**
General business credit	33	3.7	8	2.9	**	**
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	16	1.8	**	**	** 9	** 3.5
Partnership and S Corporation net losses	0	0.0	4	1.5	** 5	** 1.9
Foreign-earned income exclusion [3]	0	0.0	0	0.0	0	0.0
AMT tax preference [3]	5	0.6	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	0	0.0	7	2.6	**	**
Capital gains taxed at 0 percent	31	3.4	0	0.0	0	0.0
No second largest item	0	0.0	**	**	84	32.7

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 8. Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns and Percentage Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2011—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	8,728	58.2	4	[2]	12	0.1
Interest paid deduction	424	4.9	0	0.0	4	33.3
Tax-exempt interest [3]	0	0.0	**	**	**	**
Taxes paid deduction	2,210	25.3	0	0.0	0	0.0
Charitable contributions deduction	1,265	14.5	0	0.0	**	**
Medical and dental expense deduction	1,611	18.5	** 4	** 100.0	** 8	** 66.7
Net casualty or theft loss deduction	18	0.2	0	0.0	0	0.0
Total miscellaneous deductions	1,137	13.0	0	0.0	0	0.0
General business credit	** 13	** 0.1	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
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	38	0.4	**	**	0	0.0
Partnership and S Corporation net losses	927	10.6	0	0.0	**	**
Foreign-earned income exclusion [3]	3	[2]	0	0.0	0	0.0
AMT tax preference [3]	**	**	0	0.0	0	0.0
Nontaxable Social Security benefits [3]	** 264	** 3.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	641	7.3	0	0.0	0	0.0
No second largest item	177	2.0	0	0.0	**	**

** 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. This table is based on U.S. Individual Tax Returns. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. and worldwide income tax. 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. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 2011

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income			
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income concept						
Total itemized deductions	19,563	5,548	3,402	1,738	615	321
Interest paid deduction:						
Total	19,563	9,165	6,435	1,632	770	347
Investment interest expense deduction per income concept	19,563	14,908	2,939	364	240	189
Taxes paid deduction	19,563	6,606	8,981	2,049	1,002	348
Charitable contributions deduction	19,563	8,579	7,271	872	497	489
Medical and dental expense deduction	19,563	17,239	647	158	100	101
Net casualty or theft loss deduction	19,563	19,251	8	5	3	5
Net limited miscellaneous deduction per income concept	19,563	14,936	2,389	977	453	264
Non-limited miscellaneous deduction	19,563	15,768	1,626	77	48	41
Deduction equivalent of:						
Total credits	19,563	6,233	492	429	267	377
Foreign tax credit	19,563	7,595	800	90	92	124
General business credit	19,563	18,660	252	254	108	73
Refundable prior-year minimum tax credit used to offset income tax before credits	19,563	18,814	236	62	60	** 46
All other refundable credits used to offset income tax before credits	19,563	19,534	4	3	0	0
Tax preferences excluded from adjusted gross income	19,563	14,064	3,415	568	352	220
Nontaxable Social Security benefits	19,563	15,621	3,934	8	0	0
Capital gains taxed at 0 percent	19,563	15,870	1,485	1,046	939	223
Expanded income concept						
Total itemized deductions	32,902	10,639	5,453	4,166	2,533	1,836
Interest paid deduction:						
Total	32,902	21,613	8,069	2,197	784	139
Investment interest expense deduction per income concept	32,902	26,715	5,260	414	147	95
Taxes paid deduction	32,902	11,843	14,698	3,873	1,342	472
Charitable contributions deduction	32,902	14,368	13,107	2,080	1,173	842
Medical and dental expense deduction	32,902	23,986	5,005	847	510	457
Net casualty or theft loss deduction	32,902	32,551	25	14	9	5
Net limited miscellaneous deduction per income concept	32,902	21,786	6,898	2,353	920	405
Non-limited miscellaneous deduction	32,902	30,163	2,515	85	34	24
Deduction equivalent of:						
Total credits	32,902	13,363	1,378	644	494	784
Foreign tax credit	32,902	15,111	1,415	245	276	538
General business credit	32,902	31,940	311	248	97	65
Refundable prior-year minimum tax credit used to offset income tax before credits	32,902	31,960	429	79	74	9
All other refundable credits used to offset income tax before credits	32,902	32,875	5	0	0	0
Tax preferences excluded from adjusted gross income	32,902	17,088	3,443	1,000	892	1,009
Nontaxable Social Security benefits	32,902	23,369	9,515	17	0	0
Capital gains taxed at 0 percent	32,902	24,638	4,284	2,310	1,359	311

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 2011—Continued

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income—continued				
	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept					
Total itemized deductions	260	524	503	2,709	3,944
Interest paid deduction:					
Total	225	192	142	375	280
Investment interest expense deduction per income concept	156	133	115	306	212
Taxes paid deduction	203	94	66	92	123
Charitable contributions deduction	353	1,386	0	49	66
Medical and dental expense deduction	122	205	148	556	287
Net casualty or theft loss deduction	10	10	16	90	165
Net limited miscellaneous deduction per income concept	151	123	59	120	90
Non-limited miscellaneous deduction	45	42	64	1,094	758
Deduction equivalent of:					
Total credits	620	577	491	6,503	3,574
Foreign tax credit	448	453	349	6,050	3,562
General business credit	75	59	51	25	5
Refundable prior-year minimum tax credit used to offset income tax before credits	**	9	9	326	0
All other refundable credits used to offset income tax before credits	16	3	0	3	0
Tax preferences excluded from adjusted gross income	142	105	153	194	349
Nontaxable Social Security benefits	0	0	0	0	0
Capital gains taxed at 0 percent	0	0	0	0	0
Expanded income concept					
Total itemized deductions	1,544	1,448	1,222	2,291	1,769
Interest paid deduction:					
Total	37	16	9	28	9
Investment interest expense deduction per income concept	61	44	26	52	87
Taxes paid deduction	207	120	75	106	165
Charitable contributions deduction	728	355	50	131	67
Medical and dental expense deduction	388	398	322	731	257
Net casualty or theft loss deduction	7	11	21	95	164
Net limited miscellaneous deduction per income concept	184	143	51	90	72
Non-limited miscellaneous deduction	14	11	7	17	31
Deduction equivalent of:					
Total credits	1,159	1,501	2,676	10,888	16
Foreign tax credit	997	1,379	2,510	10,417	14
General business credit	84	68	54	** 34	**
Refundable prior-year minimum tax credit used to offset income tax before credits	5	10	8	327	0
All other refundable credits used to offset income tax before credits	16	3	0	3	0
Tax preferences excluded from adjusted gross income	1,169	1,418	1,402	4,641	840
Nontaxable Social Security benefits	0	0	0	0	0
Capital gains taxed at 0 percent	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. This table is based on U.S. Individual Tax Returns. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. and worldwide income tax. 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. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 2011

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income			
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income concept						
Total itemized deductions	7,557	26	69	239	187	72
Interest paid deduction:						
Total	7,557	2,226	2,413	923	587	283
Investment interest expense deduction per income concept	7,557	4,469	1,601	261	189	164
Taxes paid deduction	7,557	127	4,364	1,461	801	296
Charitable contributions deduction	7,557	1,263	3,418	593	304	391
Medical and dental expense deduction	7,557	5,535	422	132	88	95
Net casualty or theft loss deduction	7,557	7,257	7	** 5	**	5
Net limited miscellaneous deduction per income concept	7,557	4,291	1,412	714	402	236
Non-limited miscellaneous deduction	7,557	4,394	1,093	42	35	34
Deduction equivalent of:						
Total credits	7,557	6,196	263	261	96	80
Foreign tax credit	7,557	7,557	0	0	0	0
General business credit	7,557	6,994	106	200	67	47
Refundable prior-year minimum tax credit used to offset income tax before credits	7,557	7,082	128	** 14	**	** 10
All other refundable credits used to offset income tax before credits	7,557	7,545	**	** 4	0	0
Tax preferences excluded from adjusted gross income	7,557	3,972	1,871	408	294	179
Nontaxable Social Security benefits	7,557	4,462	** 3,095	**	0	0
Capital gains taxed at 0 percent	7,557	5,261	859	670	639	128
Expanded income concept						
Total itemized deductions	15,000	1,050	1,014	2,184	1,915	1,440
Interest paid deduction:						
Total	15,000	9,481	3,285	1,400	638	104
Investment interest expense deduction per income concept	15,000	10,539	3,713	321	122	75
Taxes paid deduction	15,000	1,101	8,618	3,138	1,122	388
Charitable contributions deduction	15,000	2,406	8,173	1,659	950	686
Medical and dental expense deduction	15,000	6,848	4,385	778	489	437
Net casualty or theft loss deduction	15,000	14,664	21	13	6	4
Net limited miscellaneous deduction per income concept	15,000	5,699	5,531	2,047	847	365
Non-limited miscellaneous deduction	15,000	12,878	1,945	63	26	21
Deduction equivalent of:						
Total credits	15,000	13,255	655	255	92	73
Foreign tax credit	15,000	15,000	0	0	0	0
General business credit	15,000	14,459	104	187	58	38
Refundable prior-year minimum tax credit used to offset income tax before credits	15,000	14,345	307	** 15	**	** 9
All other refundable credits used to offset income tax before credits	15,000	14,991	**	0	0	0
Tax preferences excluded from adjusted gross income	15,000	2,021	1,596	773	742	864
Nontaxable Social Security benefits	15,000	6,752	8,244	3	0	0
Capital gains taxed at 0 percent	15,000	9,241	2,956	1,688	953	162

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

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 2011—Continued

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentages of income—continued				
	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept					
Total itemized deductions	83	230	294	2,442	3,914
Interest paid deduction:					
Total	184	175	128	361	277
Investment interest expense deduction per income concept	144	124	101	295	209
Taxes paid deduction	145	85	65	91	121
Charitable contributions deduction	287	1,186	0	49	65
Medical and dental expense deduction	113	195	143	548	286
Net casualty or theft loss deduction	9	10	14	87	163
Net limited miscellaneous deduction per income concept	133	113	54	117	84
Non-limited miscellaneous deduction	39	32	60	1,072	756
Deduction equivalent of:					
Total credits	88	84	93	393	3
Foreign tax credit	0	0	0	0	0
General business credit	50	41	29	20	3
Refundable prior-year minimum tax credit used to offset income tax before credits	**	** 4	**	320	0
All other refundable credits used to offset income tax before credits	5	3	0	0	0
Tax preferences excluded from adjusted gross income	112	94	136	178	312
Nontaxable Social Security benefits	0	0	0	0	0
Capital gains taxed at 0 percent	0	0	0	0	0
Expanded income concept					
Total itemized deductions	1,254	1,175	1,041	2,176	1,751
Interest paid deduction:					
Total	32	14	9	28	9
Investment interest expense deduction per income concept	51	38	21	46	74
Taxes paid deduction	180	115	72	103	163
Charitable contributions deduction	588	300	44	128	65
Medical and dental expense deduction	375	390	317	723	257
Net casualty or theft loss deduction	7	11	19	93	162
Net limited miscellaneous deduction per income concept	169	136	50	86	71
Non-limited miscellaneous deduction	14	9	4	12	27
Deduction equivalent of:					
Total credits	87	89	93	** 401	**
Foreign tax credit	0	0	0	0	0
General business credit	54	45	31	** 23	**
Refundable prior-year minimum tax credit used to offset income tax before credits	**	3	0	321	0
All other refundable credits used to offset income tax before credits	** 6	3	0	0	0
Tax preferences excluded from adjusted gross income	1,052	1,285	1,324	4,509	834
Nontaxable Social Security benefits	0	0	0	0	0
Capital gains taxed at 0 percent	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. This table is based on U.S. Individual Tax Returns. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. and worldwide income tax. 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. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 11. Returns With and Without U.S. Income Tax: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2011

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of adjusted gross income			
	Number of returns	Percentage of total	Under \$50,000 [1]		\$50,000 under \$100,000	
			Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	145,370,240	100.0	95,038,739	100.0	30,875,679	100.0
Returns without U.S. income tax	53,676,039	36.9	52,021,839	54.7	1,519,640	4.9
Returns with U.S. income tax	91,694,201	63.1	43,016,900	45.3	29,356,039	95.1
Effective tax rate:						
Under 5 percent	25,533,222	17.6	19,759,443	20.8	5,191,683	16.8
5 under 10 percent	35,533,966	24.4	18,795,954	19.8	13,412,369	43.4
10 under 15 percent	20,439,034	14.1	4,409,947	4.6	8,254,869	26.7
15 under 20 percent	7,404,799	5.1	24,066	[2]	2,486,548	8.1
20 under 25 percent	1,873,640	1.3	12,277	[2]	8,192	[2]
25 under 30 percent	824,613	0.6	4,218	[2]	1,096	[2]
30 under 35 percent	73,984	0.1	2,408	[2]	1,021	[2]
35 under 40 percent	1,615	[2]	383	[2]	17	[2]
40 under 45 percent	563	[2]	104	[2]	44	[2]
45 under 50 percent	429	[2]	** 104	** [2]	102	[2]
50 under 60 percent	181	[2]	**	**	56	[2]
60 under 70 percent	373	[2]	319	[2]	25	[2]
70 under 80 percent	125	[2]	108	[2]	0	0.0
80 percent or more	7,657	[2]	7,568	[2]	18	[2]

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 11. Returns With and Without U.S. Income Tax: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2011—Continued

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of adjusted gross income—continued				Total		Size of expanded income	
	\$100,000 under \$200,000		\$200,000 or more				Under \$50,000 [1]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
All returns	14,755,766	100.0	4,700,056	100.0	145,370,240	100.0	92,994,879	100.0
Returns without U.S. income tax	114,998	0.8	19,563	0.4	53,676,039	36.9	51,565,148	55.4
Returns with U.S. income tax	14,640,768	99.2	4,680,493	99.6	91,694,201	63.1	41,429,731	44.6
Effective tax rate:								
Under 5 percent	529,957	3.6	52,139	1.1	26,377,773	18.1	19,118,961	20.6
5 under 10 percent	3,234,199	21.9	91,445	1.9	34,657,279	23.8	17,696,291	19.0
10 under 15 percent	7,350,487	49.8	423,730	9.0	20,412,853	14.0	4,565,389	4.9
15 under 20 percent	3,135,047	21.2	1,759,137	37.4	7,489,688	5.2	22,661	[2]
20 under 25 percent	382,334	2.6	1,470,838	31.3	1,869,056	1.3	11,181	[2]
25 under 30 percent	6,812	[2]	812,486	17.3	808,101	0.6	4,595	[2]
30 under 35 percent	1,758	[2]	68,797	1.5	68,589	[2]	1,109	[2]
35 under 40 percent	81	[2]	1,133	[2]	614	[2]	6	[2]
40 under 45 percent	** 52	** [2]	364	[2]	1,620	[2]	1,129	[2]
45 under 50 percent	**	**	223	[2]	174	[2]	103	[2]
50 under 60 percent	13	[2]	111	[2]	57	[2]	8	[2]
60 under 70 percent	3	[2]	27	[2]	1,041	[2]	1,000	[2]
70 under 80 percent	0	0.0	18	[2]	11	[2]	6	[2]
80 percent or more	25	[2]	46	[2]	7,345	[2]	7,293	[2]

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 11. Returns With and Without U.S. Income Tax: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2011—Continued

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of expanded income—continued					
	\$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
	(15)	(16)	(17)	(18)	(19)	(20)
All returns	32,820,012	100.0	14,797,094	100.0	4,758,256	100.0
Returns without U.S. income tax	1,923,258	5.9	154,732	1.0	32,902	0.7
Returns with U.S. income tax	30,896,754	94.1	14,642,362	99.0	4,725,354	99.3
Effective tax rate:						
Under 5 percent	6,630,787	20.2	552,034	3.7	75,990	1.6
5 under 10 percent	13,660,559	41.6	3,179,029	21.5	121,400	2.6
10 under 15 percent	8,014,659	24.4	7,377,523	49.9	455,283	9.6
15 under 20 percent	2,582,762	7.9	3,139,032	21.2	1,745,233	36.7
20 under 25 percent	6,000	[2]	380,618	2.6	1,471,258	30.9
25 under 30 percent	617	[2]	12,100	0.1	790,789	16.6
30 under 35 percent	1,285	[2]	1,512	[2]	64,684	1.4
35 under 40 percent	11	[2]	140	[2]	456	[2]
40 under 45 percent	31	[2]	345	[2]	115	[2]
45 under 50 percent	** 17	** [2]	3	[2]	53	[2]
50 under 60 percent	**	**	0	0.0	47	[2]
60 under 70 percent	17	[2]	** 5	** [2]	21	[2]
70 under 80 percent	0	0.0	**	**	3	[2]
80 percent or more	9	[2]	21	[2]	21	[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. This table is based on U.S. Individual Tax Returns. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. and worldwide income tax. 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. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 12. Returns With and Without Worldwide Income Tax: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2011

[All figures are estimates based on samples]

Tax status, effective tax rate	Total		Size of adjusted gross income					
	Number of returns	Percentage of total	Under \$50,000 [1]		\$50,000 under \$100,000		\$100,000 under \$200,000	
			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)
All returns	145,370,240	100.0	95,038,739	100.0	30,875,679	100.0	14,755,766	100.0
Returns without worldwide income tax	53,398,473	36.7	51,845,157	54.6	1,455,827	4.7	89,932	0.6
Returns with worldwide income tax	91,971,767	63.3	43,193,582	45.4	29,419,852	95.3	14,665,834	99.4
Effective tax rate:								
Under 5 percent	25,626,207	17.6	19,867,529	20.9	5,210,969	16.9	519,987	3.5
5 under 10 percent	35,531,856	24.4	18,823,230	19.8	13,409,009	43.4	3,223,407	21.8
10 under 15 percent	20,449,143	14.1	4,426,441	4.7	8,275,376	26.8	7,342,718	49.8
15 under 20 percent	7,448,275	5.1	25,925	[2]	2,500,668	8.1	3,165,437	21.5
20 under 25 percent	1,893,369	1.3	15,096	[2]	9,840	[2]	389,655	2.6
25 under 30 percent	862,324	0.6	4,954	[2]	2,452	[2]	9,579	0.1
30 under 35 percent	93,424	0.1	2,907	[2]	2,043	[2]	4,156	[2]
35 under 40 percent	17,133	[2]	1,090	[2]	1,267	[2]	2,665	[2]
40 under 45 percent	10,002	[2]	1,059	[2]	1,542	[2]	2,790	[2]
45 under 50 percent	5,815	[2]	693	[2]	1,293	[2]	2,249	[2]
50 under 60 percent	6,304	[2]	950	[2]	2,365	[2]	2,246	[2]
60 under 70 percent	3,448	[2]	1,111	[2]	1,609	[2]	603	[2]
70 under 80 percent	2,475	[2]	1,542	[2]	687	[2]	193	[2]
80 percent or more	21,990	[2]	21,056	[2]	733	[2]	148	[2]

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 12. Returns With and Without Worldwide Income Tax: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2011—Continued

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of adjusted gross income—continued		Total		Size of expanded income	
	\$200,000 or more				Under \$50,000 [1]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)
All returns	4,700,056	100.0	145,370,240	100.0	92,994,879	100.0
Returns without worldwide income tax	7,557	0.2	53,398,473	36.7	51,415,319	55.3
Returns with worldwide income tax	4,692,499	99.8	91,971,767	63.3	41,579,560	44.7
Effective tax rate:						
Under 5 percent	27,722	0.6	26,473,736	18.2	19,228,493	20.7
5 under 10 percent	76,209	1.6	34,665,606	23.8	17,721,212	19.1
10 under 15 percent	404,608	8.6	20,433,862	14.1	4,577,707	4.9
15 under 20 percent	1,756,246	37.4	7,534,991	5.2	23,419	[2]
20 under 25 percent	1,478,779	31.5	1,901,583	1.3	12,739	[2]
25 under 30 percent	845,340	18.0	855,706	0.6	4,629	[2]
30 under 35 percent	84,318	1.8	90,324	0.1	1,170	[2]
35 under 40 percent	12,111	0.3	4,089	[2]	6	[2]
40 under 45 percent	4,611	0.1	2,195	[2]	1,129	[2]
45 under 50 percent	1,581	[2]	299	[2]	103	[2]
50 under 60 percent	744	[2]	273	[2]	8	[2]
60 under 70 percent	125	[2]	1,137	[2]	1,062	[2]
70 under 80 percent	53	[2]	13	[2]	6	[2]
80 percent or more	54	[2]	7,952	[2]	7,875	[2]

Footnotes at end of table.

High-Income Tax Returns for 2011

Statistics of Income Bulletin | Spring 2014

Table 12. Returns With and Without Worldwide Income Tax: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2011—Continued

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of expanded income—continued					
	\$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
	(15)	(16)	(17)	(18)	(19)	(20)
All returns	32,820,012	100.0	14,797,094	100.0	4,758,256	100.0
Returns without worldwide income tax	1,852,042	5.6	116,112	0.8	15,000	0.3
Returns with worldwide income tax	30,967,969	94.4	14,680,981	99.2	4,743,256	99.7
Effective tax rate:						
Under 5 percent	6,660,170	20.3	542,067	3.7	43,005	0.9
5 under 10 percent	13,671,042	41.7	3,171,553	21.4	101,799	2.1
10 under 15 percent	8,031,279	24.5	7,385,265	49.9	439,611	9.2
15 under 20 percent	2,595,436	7.9	3,169,445	21.4	1,746,691	36.7
20 under 25 percent	7,081	[2]	391,839	2.6	1,489,924	31.3
25 under 30 percent	1,069	[2]	16,780	0.1	833,228	17.5
30 under 35 percent	1,588	[2]	2,815	[2]	84,751	1.8
35 under 40 percent	207	[2]	484	[2]	3,391	0.1
40 under 45 percent	42	[2]	582	[2]	442	[2]
45 under 50 percent	15	[2]	32	[2]	149	[2]
50 under 60 percent	13	[2]	77	[2]	175	[2]
60 under 70 percent	17	[2]	5	[2]	52	[2]
70 under 80 percent	0	0.0	3	[2]	4	[2]
80 percent or more	9	[2]	34	[2]	34	[2]

[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. This table is based on U.S. Individual Tax Returns. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. and worldwide income tax. 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. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

Source: IRS, Statistics of Income Division, High-Income Tax Returns, May 2014