

Section 2

Individual Income Tax Returns, 2015

Taxpayers filed 150.5 million individual income tax returns for Tax Year (TY) 2015, an increase of 1.3 percent from the 148.6 million returns filed for TY 2014. Total income reported on these returns totaled \$10.4 trillion, a 4.5-percent increase from the previous year. Salaries

and wages, the largest component of total income (68.6 percent in 2015), rose 4.8 percent from 2014 to \$7.1 trillion. Statutory adjustments, which are subtracted from total income to arrive at adjusted gross income (AGI), increased 3.4 percent to \$150.1 billion. AGI rose 4.5 percent to \$10.2 trillion for the year. Total

Figure A. Total Income and Selected Sources of Income, Tax Years 2014 and 2015

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

Item	2014		2015		Percentage change	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Total Income [1]	148,101	9,916,220	149,938	10,360,403	1.2	4.5
Salaries and wages	123,140	6,784,948	124,591	7,112,223	1.2	4.8
Taxable interest	43,334	93,894	42,637	95,881	-1.6	2.1
Ordinary dividends	27,652	254,702	27,607	260,253	-0.2	2.2
Qualified dividends	25,702	192,448	25,756	203,188	0.2	5.6
Business or profession net income (less loss)	24,073	317,259	24,727	331,814	2.7	4.6
Business or profession net income	18,297	374,659	18,791	391,976	2.7	4.6
Business or profession net loss	5,776	57,400	5,936	60,161	2.8	4.8
Net capital gain (less loss)	24,268	698,649	24,278	706,515	[5]	1.1
Net capital gain	12,595	705,008	11,675	713,598	-7.3	1.2
Net capital gain loss	7,595	17,620	8,280	18,646	9.0	5.8
Capital gain distributions [2]	13,665	79,059	14,056	74,060	2.9	-6.3
Sales of property other than capital assets, net gain (less loss)	2,289	8,973	2,217	11,943	-3.2	33.1
Sales of property other than capital assets, net gain	1,087	31,473	1,064	33,037	-2.1	5.0
Sales of property other than capital assets, net loss	1,202	22,500	1,153	21,094	-4.1	-6.3
Taxable social security benefits	19,019	261,156	19,661	277,411	3.4	6.2
Total rental and royalty net income (less loss) [3]	11,571	65,800	11,300	56,813	-2.3	-13.7
Total rental and royalty net income	6,911	112,415	6,768	103,059	-2.1	-8.3
Total rental and royalty net loss	4,660	46,614	4,532	46,246	-2.7	-0.8
Partnership and S-corporation net income (less loss)	8,679	583,791	8,744	629,005	0.8	7.7
Partnership and S-corporation net income	5,936	701,113	6,044	755,623	1.8	7.8
Partnership and S-corporation net loss	2,743	117,322	2,700	126,618	-1.6	7.9
Estate and trust net income (less loss)	634	29,792	688	27,420	8.6	-8.0
Estate and trust net income	579	32,804	630	32,453	8.8	-1.1
Estate and trust net loss	54	3,012	58	5,033	6.4	67.1
Farm net income (less loss)	1,784	-8,276	1,800	-13,964	0.8	-68.7
Farm net income	591	16,296	521	13,534	-11.9	-16.9
Farm net loss	1,193	24,572	1,279	27,498	7.2	11.9
Unemployment compensation	7,451	33,289	6,207	27,225	-16.7	-18.2
Taxable pensions and annuities	28,144	663,223	28,199	689,992	0.2	4.0
Taxable Individual Retirement Account distributions	13,654	235,005	14,159	253,213	3.7	7.7
Net operation loss	1,201	196,187	1,138	197,513	-5.3	0.7
Other net income (less loss) [4]	6,377	39,156	6,454	40,075	1.2	2.3
Other net income	6,077	45,506	6,122	46,769	0.7	2.8
Other net loss	301	6,350	333	6,694	10.7	5.4

n.a.—Not available.

[1] Sources of total income shown are not comprehensive and, therefore, do not add to total income.

[2] Includes both Schedule D and Form 1040 capital gain distributions.

[3] Includes farm rental net income (less loss) and Real Estate Mortgage Investment Conduit (REMIC) residual holder taxable income or loss.

[4] Other net income (less loss) represents data reported on Form 1040, line 21, except net operating losses (shown separately in this figure), foreign-earned income exclusions, and cancellation of debt, taxable health savings account distributions, and gambling earnings (not shown separately in this figure).

[5] Less than .05 percent.

Source: IRS. Statistics of Income Division. Publication 1304. September 2017.

income tax rose 5.8 percent to \$1.5 trillion. After subtracting the refundable portion of refundable credits and the portion that offset all other taxes from total income tax, total income tax was \$1.4 trillion, and the effective tax rate increased 0.2 percentage points to 13.3 percent for 2015.

Total Income

Total income increased 4.5 percent to \$10.4 trillion for 2015 (Figure A). Salaries and wages, the largest component of total income, increased 4.8 percent, from \$6.8 trillion to \$7.1 trillion. Within total income, the share of salaries and wages increased slightly to 68.6 percent for 2015, up from 68.4 percent for 2014. The second largest component of total income, net capital gains (less loss), increased 1.1 percent for 2015. Capital gain distributions, a component of net capital gains, fell 6.3 percent. Taxpayers report capital gain distributions on either Schedule D with other sales of capital assets or alone on Forms 1040 or 1040A.

The increase in total income was supported by increases in business income in 2015; partnership and S corporation net income (less loss) rose \$45.2 billion (up 7.7 percent) to \$629.0 billion for 2015, while business or profession net income (less loss) rose 4.6 percent to \$331.8 billion.

In general, all retirement income items increased for 2015. These retirement income items include the taxable portions of individual retirement account (IRA) distributions (up 7.7 percent), Social Security benefits (up 6.2 percent), and pensions and annuities (up 4.0 percent).

The most notable change in other total income items was in unemployment compensation, which decreased 18.2 percent to \$27.2 billion as the number of returns claiming unemployment fell 16.7 percent to 6.2 million.

Statutory Adjustments

Statutory adjustments increased 3.4 percent to \$150.1 billion for 2015 (Figure B). The three largest adjustments were all related to self-employment. Together, the amounts reported for the deductible part of the self-employment tax, self-employed health insurance deduction, and adjustment for payments to a self-employed retirement (Keogh) plan accounted for 55.5 percent of total statutory adjustments. These three items together increased 3.4 percent and accounted for 55.5 percent of the total increase in statutory adjustments. Taxpayers subtract these adjustments from total income when computing adjusted gross income (AGI). For 2015, taxpayers filed 150.5 million tax returns with a reported AGI of \$10.2 trillion, a 4.5-percent increase from the previous year.

Deductions

Total deductions (the sum of the total standard deduction and total itemized deductions) increased 3.6 percent to \$2.2 trillion (Figure C). The number of returns claiming a standard deduction increased 1.2 percent for 2015, accounting for 69.0 percent of all returns filed. The average standard deduction rose 1.5 percent over the 2014 average to \$8,673 in 2015.

Taxpayers claimed itemized deductions on 29.6 percent of all returns filed, representing 58.3 percent of the total

Figure B. Statutory Adjustments, Tax Years 2014 and 2015

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

Item	2014		2015		Percentage change	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Total statutory adjustments	38,387	145,184	38,586	150,093	0.5	3.4
Payments to an Individual Retirement Account	2,708	13,229	2,641	13,044	-2.4	-1.4
Educator expenses deduction	3,768	959	3,721	950	-1.2	-0.9
Certain business expenses of reservists, performing artists, etc.	152	537	169	579	11.1	7.8
Moving expenses adjustment	1,128	3,445	1,134	3,692	0.5	7.2
Student loan interest deduction	12,083	12,813	12,371	13,438	2.4	4.9
Tuition and fees deduction	1,747	3,872	1,656	3,919	-5.3	1.2
Health savings account deduction	1,361	4,106	1,392	4,323	2.2	5.3
Deductible part of self-employment tax	19,351	29,287	19,633	30,107	1.5	2.8
Self-employed health insurance deduction	4,185	28,113	4,098	28,852	-2.1	2.6
Payments to a self-employed retirement (Keogh) plan	990	23,215	1,012	24,378	2.3	5.0
Penalty on early withdrawal of savings	612	140	467	77	-23.7	-45.2
Alimony paid	608	11,808	599	12,345	-1.5	4.5
Domestic production activities deduction	699	11,976	696	12,792	-0.4	6.8
Other adjustments [1]	n.a.	1,684	n.a.	1,597	[2]	-5.2
Adjust Gross Income (less deficit)	148,607	9,771,035	150,493	10,210,310	1.3	4.5

n.a.—Not available.

[1] Includes foreign housing adjustment, Archer medical savings accounts deduction, and other adjustments for 2014 and 2015.

[2] Percentage not computed.

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

Source: IRS, Statistics of Income Division, Publication 1304, September 2017.

Figure C. Selected Itemized Deductions, Standard deduction, Exemptions and Taxable Income, Tax Years 2014 and 2015

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

Item	2014		2015		Percentage change	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Total deductions [1]	146,560	2,082,945	148,412	2,158,046	1.3	3.6
Total standard deduction	102,595	876,240	103,844	900,609	1.2	2.8
Basic standard deduction	102,595	849,368	103,844	872,463	1.2	2.7
Additional standard deduction	14,810	26,869	15,097	28,146	1.9	4.8
Total itemized deductions before limitation	43,965	1,251,404	44,567	1,305,268	1.4	4.3
Medical and dental expenses after AGI limitation	8,606	83,812	8,777	86,931	2.0	3.7
Taxes paid [2]	43,613	520,449	44,191	553,016	1.3	6.3
State and local income taxes	32,456	311,222	33,063	335,060	1.9	7.7
State and local general sales taxes	9,804	17,081	9,627	17,641	-1.8	3.3
Interest paid [3]	33,332	307,962	33,302	304,461	-0.1	-1.1
Home mortgage interest	32,729	286,749	32,716	283,004	[5]	-1.3
Charitable contributions	36,221	210,599	36,624	221,850	1.1	5.3
Other than cash contributions	22,163	65,330	22,542	70,870	1.7	8.5
Casualty and theft losses	90	2,204	72	1,646	-19.7	-25.3
Miscellaneous deductions after 2-percent AGI limitation	12,332	104,902	12,776	113,175	3.6	7.9
Gambling losses and other unlimited miscellaneous deductions	1,172	21,476	1,235	24,188	5.4	12.6
Itemized deductions in excess of limitation	2,794	44,699	2,931	47,831	4.9	7.0
Total itemized deductions	43,965	1,206,705	44,567	1,257,437	1.4	4.2
Exemptions [4]	290,412	1,121,603	291,939	1,140,740	0.5	1.7
Taxable income	112,658	6,997,856	114,872	7,350,295	2.0	5.0

[1] Returns with no adjusted gross income are excluded from the deduction counts. For this reason, the sum of the number of returns with total itemized deductions and the number of returns with total standard deduction is less than the total number of returns for all filers.

[2] Includes real estate taxes, personal property taxes, and other taxes not shown separately.

[3] Includes investment interest, deductible mortgage "points," and qualified mortgage insurance premiums not shown separately.

[4] The number of returns columns represent the number of exemptions.

[5] Less than 0.05 percent.

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

Source: IRS, Statistics of Income Division, Publication 1304, September 2017.

deduction amount for the year.¹ The average for total itemized deductions (after limitation) was \$28,214 for 2015, up from the \$27,447 average total claimed for 2014. The number of returns with itemized deductions increased 1.4 percent to 44.6 million returns. Table 2.1 presents detailed statistics for individual returns with itemized deductions, by type of deduction and size of AGI.

The largest itemized deduction for 2015 was taxes paid, followed by interest paid and charitable contributions. Taxes paid increased 6.3 percent to \$553.0 billion, accounting for 42.4 percent of total itemized deductions for the year. Interest paid, the second largest itemized deduction, decreased to \$304.5 billion (down 1.1 percent) for 2015 and made up 23.3 percent of total itemized deductions. For 2015, the number of returns reporting the largest component of the interest paid deduction, home mortgage interest, decreased less than 0.05 percent, while the amount reported decreased 1.3 percent. The deduction for charitable contributions rose 5.3 percent to \$221.9 billion. The number of returns taking the deduction for charitable contributions increased 1.1 percent. About half of the increase in

charitable contributions was attributable to the 8.5-percent increase in noncash contributions.

For 2015, the number of personal exemptions for taxpayers and dependents increased slightly to 291.9 million, while the amount increased 1.7 percent to \$1,140.7 billion. The increase in the amount was greater than the number of returns due to the \$50 increase in the deductible amount per exemption to \$4,000 for the year.

Taxpayers subtract deductions (either itemized or standard) and exemptions from AGI to arrive at taxable income. With the increase in AGI, the modest increase in total deductions, and the small increase in exemptions, total taxable income rose 5.0 percent to \$7.4 trillion for 2015.

Tax Credits

Tax credits are used to offset taxes. Certain tax credits are also refundable in that if the credit exceeds the total tax owed, the excess credit can be refunded to the taxpayer. Figure D lists tax credits in two groups—nonrefundable and refundable. Furthermore, Figure D shows only the amounts of credit that

¹ Of the 150,493,263 total returns filed, 1.4 percent did not need to claim either a standard deduction or itemized deductions because no positive AGI was reported, or taxpayers were married filing separately with no deductions but spouse itemized on their returns.

Figure D. Total Tax Credits and Income Tax Before and After Credits, Tax Years 2014 and 2015

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

Item	2014		2015		Percentage change	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Income tax before credits	111,969	1,432,798	114,483	1,516,166	2.2	5.8
Total tax credits [1]	48,773	76,243	48,981	77,927	0.4	2.2
Child care credit	6,341	3,505	6,344	3,585	0.1	2.3
Foreign tax credit	7,958	21,648	7,968	22,560	0.1	4.2
General business credit	348	3,137	334	3,616	-4.0	15.3
Prior-year minimum tax credit	316	964	307	973	-3.0	0.9
Nonrefundable education credits	9,910	10,445	9,606	10,234	-3.1	-2.0
Retirement savings contribution credit	7,918	1,381	8,109	1,441	2.4	4.4
Child tax credit [2]	22,395	27,202	22,377	27,100	-0.1	-0.4
Residential energy credits	2,664	1,638	2,593	2,088	-2.7	27.4
Total refundable credits used to offset income tax before credits [3, 4]	9,704	5,538	10,082	5,678	3.9	2.5
Earned income credit	4,465	1,387	4,626	1,490	3.6	7.4
American opportunity credit	4,869	3,930	4,804	3,854	-1.3	-2.0
Income tax after credits	96,531	1,355,305	99,022	1,435,849	2.6	5.9

[1] Includes credits not shown separately.

[2] Excludes the refundable additional child tax credit, which totaled \$27.1 billion for 2014 and \$26.6 billion for 2015.

[3] Represents portion of refundable credits used to offset income tax before credits.

[4] Includes net premium tax credit, regulated investment company credit, health coverage tax credit, and prior-year returns claiming the refundable prior-year minimum tax credit.

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

Source: IRS, Statistics of Income Division, Publication 1304, September 2017.

offsets income taxes owed—the amounts of refundable tax credits that are refundable or offset other taxes are not included in figure D. Table 3.3 contains data on all three parts of the refundable credits.

Total tax credits increased 2.2 percent to \$77.9 billion for 2015 (Figure D). As noted above, these total tax credits exclude the “refundable” portions of the child tax credit, American opportunity tax credit, regulated investment company credit, earned income credit (EIC), and net premium tax credit, as well as any amount of these credits used to offset any other taxes. Nonrefundable credits used to offset income tax before credits increased by 2.2 percent, largely driven by a 4.2 percent increase in the foreign tax credit.

Overall, the child tax credit was the largest credit claimed, followed by the foreign tax credit. Some 22.4 million taxpayers claimed the child tax credit for a total of \$27.1 billion, accounting for 34.8 percent of the total tax credits reported for 2015. The foreign tax credit increased to \$22.6 billion, accounting for 29.0 percent of the total tax credits reported for the year despite only being claimed on 5.3 percent (8.0 million) of all individual tax returns filed.

Refundable credits were broken out into three parts: the portion used to offset income tax before credits, the portion used to offset all other taxes, and the refundable portion. The first portion, which was included in total tax credits, offset income tax before credits. The second portion offset all other

taxes besides income tax, such as the self-employment tax. The IRS treated the last portion, the refundable portion, as a refund and paid it directly to taxpayers who had no tax against which to apply the credits, or whose credits exceeded income tax (and other income-related taxes). The last two portions of refundable credits were not included in total tax credits.

In total, taxpayers claimed \$105.3 billion in refundable tax credits (Table 3.3). Of this, \$5.7 billion was applied against income taxes and \$10.0 billion against all other taxes. The remaining \$89.6 billion in refundable credits was refunded to taxpayers. The portion applied against income taxes accounted for 5.4 percent of total refundable credits. Of this, the American opportunity credit accounted for 67.9 percent. The portion used to offset all other taxes accounted for 9.5 percent of the total, while the last portion, the refundable portion, was the largest component at 85.1 percent. The refundable amount of the additional child tax credit (\$25.3 billion), along with the EIC (\$58.8 billion), made up nearly all (93.9 percent) of this refundable portion.

A taxpayer could use a few other refundable credits besides the child tax credit and EIC to offset taxes. The largest of these other credits was the American opportunity credit, which taxpayers claimed on 9.6 million returns for a total of \$8.6 billion. Of these returns, 5.3 million returns claimed a refundable amount of \$4.5 billion.²

² To determine the portion applied against taxes and the amount refunded to the taxpayer among taxpayers who claimed multiple refundable credits, the credits were applied in the order in which they appeared on the IRS Form 1040.

Total Income Tax and Average Tax Rates

Total income tax, as presented in these statistics, is the sum of income tax after credits (including the subtraction of refundable credits such as the EIC, American opportunity credit, net premium tax credit, and regulated investment company credit) plus the net investment income tax and tax on accumulation distribution of trusts from Form 4970. With the increase in taxable income, and a slight increase in total tax credits, total income tax increased 5.8 percent to \$1.5 trillion for 2015 (Figure E).

For 2015, the tax generated by the alternative minimum tax (AMT) increased 8.8 percent to \$31.2 billion. The number of returns with AMT liability also increased, rising 4.4 percent to 4.5 million. Unlike the AMT, which showed an increase, the net investment income tax showed a decrease for 2015 of 1.9 percent to \$22.0 billion, even though the amount of returns on which it was applied increased 6.6 percent.

The average tax rate (total income tax divided by AGI for all returns) was 14.3 for 2015 (Figure F), an increase of 0.2 percentage points from 2014. Since by our definition total income tax is limited to zero (it cannot be negative), this calculation does not account for the impact of refundable credits, which have the potential effect of creating a negative tax liability for some taxpayers. Accounting for this (subtracting the portion of refundable credits that offset all other taxes and the refundable portion of credits from total income tax), the average tax rate was 13.3 percent, also an increase of 0.2 percentage points from 2014. There was little to no difference in average tax rates with or without accounting for refundable credits for taxpayers with AGI of \$50,000 or more, while the rates for taxpayers with AGI under \$50,000 were markedly different. The greatest disparities in rates were in the \$1 under \$10,000 AGI class (9.9 percentage points) and \$10,000 under \$20,000 AGI class (12.5 percentage points), due to the combination of lower income taxes and the propensity for having refundable credits in these AGI classes.

For 2015, average tax rates increased as income rose (for both measures of the average tax rate) for each AGI category from \$20,000 up to \$5 million or less. The average tax rate peaked at 29.3 percent for returns in the AGI class \$2 million under \$5 million. For the classes above this level, the average tax rates declined to a low of 25.9 percent for taxpayers with AGI of \$10 million or more. The main reason for this decline was that individuals in the classes above \$5 million or more tended to report a larger percentage of their AGI as long-term capital gains and qualified dividends, compared to individuals in the lower AGI classes. This income was taxed at a maximum rate of 20 percent (23.8 percent including the net investment tax) as opposed to up to a 39.6-percent rate for ordinary income (43.4 including the net investment tax). For example, while individuals reporting AGI of \$1.5 million under \$2 million averaged 21.5 percent of their income as capital gains and dividends, this share increased in each succeeding class, reaching 54.4 percent for those individuals reporting AGI of \$10 million or more. More historical data on average tax rates is available in Section 5, Individual Income Tax Rates. In addition, a historical overview of different tax periods is provided there for more perspective.

Affordable Care Act

A major tax law change that took effect in 2014 was the implementation of certain provisions of the Affordable Care Act (ACA) (Public Law 111-148). The ACA contained comprehensive health insurance reforms and included tax provisions that affected individuals. The ACA established the premium tax credit (PTC) for taxpayers who enroll in a qualified health plan (QHP) offered through a Marketplace. The PTC provided financial assistance to help pay QHP premiums by reducing the amount of tax owed or providing a refund. The PTC was claimed at the time the taxpayer filed his or her return. The Advanced Premium Tax Credit (APTC) was a payment during the year to the taxpayer's insurance provider that paid for part or all of

Figure E. Total Income Tax, Tax Years 2014 and 2015

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

Item	2014		2015		Percentage change	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Total income tax	96,544	1,377,797	99,041	1,457,891	2.6	5.8
Alternative minimum tax	4,278	28,646	4,468	31,166	4.4	8.8
Net investment income tax	3,591	22,480	3,829	22,043	6.6	-1.9
All other taxes	35,475	76,877	35,544	82,388	0.2	7.2
Self-employment tax	19,351	58,468	19,633	60,174	1.5	2.9
Penalty tax on qualified retirement plans	5,726	5,840	5,454	5,976	-4.8	2.3
Health care individual responsibility payment	8,062	1,694	6,692	3,109	-17.0	83.5
Additional medicare tax	3,116	7,261	3,487	8,020	11.9	10.5
Total tax liability	101,133	1,444,390	103,810	1,529,562	2.6	5.9

Source: IRS, Statistics of Income Division, Publication 1304, September 2017.

Figure F. Number of Returns, Adjusted Gross Income, Capital Gains and Dividends, Total Income Tax, and Total Income Tax Minus Refundable Credits, by Size of Adjusted Gross Income, Tax Years 2014 and 2015

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

Tax year, item	Total	Size of adjusted gross income						
		Under \$1 [4]	\$1 under \$10,000	\$10,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Tax Year 2015:								
Number of returns	150,493	2,072	21,533	23,448	18,814	26,539	32,802	18,533
Adjusted gross income (less deficit)	10,210,310	-203,775	112,653	348,610	466,804	1,040,372	2,339,474	2,506,498
Percent of AGI subject to reduced rate [1]	8.8	[5]	1.4	1.2	1.1	1.1	1.8	3.4
Total income tax	1,457,891	242	409	4,905	14,944	57,698	205,693	316,350
Refundable credits to offset all other taxes	10,049	118	1,321	4,547	1,963	1,762	328	11
Refundable credits refundable portion	89,615	497	9,736	39,034	25,031	13,684	1,565	69
Total income tax minus refundable credits [2, 3]	1,358,227	-372	-10,647	-38,677	-12,050	42,252	203,801	316,270
Average tax rate:								
Total income tax as a percentage of AGI	14.3	[5]	0.4	1.4	3.2	5.5	8.8	12.6
Total income tax minus refundable credits as a percentage of AGI	13.3	[5]	-9.5	-11.1	-2.6	4.1	8.7	12.6
Tax Year 2014:								
Number of returns	148,607	2,034	22,053	23,621	18,881	26,072	32,220	17,501
Adjusted gross income (less deficit)	9,771,035	-197,691	116,098	351,605	467,812	1,021,446	2,303,583	2,361,756
Percent of AGI subject to reduced rate [1]	8.5	[5]	1.0	0.9	1.1	1.3	2.2	3.7
Total income tax	1,377,797	175	394	5,019	15,038	56,423	201,406	297,112
Refundable credits to offset all other taxes	9,755	118	1,478	4,344	1,992	1,501	299	22
Refundable credits refundable portion	90,276	469	10,493	39,319	25,049	13,402	1,482	63
Total income tax minus refundable credits [2, 3]	1,277,766	-411	-11,577	-38,644	-12,003	41,520	199,625	297,026
Average tax rate:								
Total income tax as a percentage of AGI	14.1	[5]	0.3	1.4	3.2	5.5	8.7	12.6
Total income tax minus refundable credits as a percentage of AGI	13.1	[5]	-10.0	-11.0	-2.6	4.1	8.7	12.6

Tax year, item	Size of adjusted gross income—continued						
	\$200,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$1,500,000	\$1,500,000 under \$2,000,000	\$2,000,000 under \$5,000,000	\$5,000,000 under \$10,000,000	\$10,000,000 or more
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Tax Year 2015:							
Number of returns	5,428	884	196	80	117	29	18
Adjusted gross income (less deficit)	1,546,515	597,677	236,500	137,686	346,864	195,661	538,771
Percent of AGI subject to reduced rate [1]	7.6	13.5	18.3	21.5	27.1	35.7	54.4
Total income tax	299,832	154,389	66,324	39,672	101,489	56,334	139,611
Refundable credits to offset all other taxes	[6]	--	--	--	--	--	--
Refundable credits refundable portion	[6]	[6]	--	--	--	--	--
Total income tax minus refundable credits [2, 3]	299,832	154,389	66,324	39,672	101,489	56,334	139,611
Average tax rate:							
Total income tax as a percentage of AGI	19.4	25.8	28.0	28.8	29.3	28.8	25.9
Total income tax minus refundable credits as a percentage of AG	19.4	25.8	28.0	28.8	29.3	28.8	25.9
Tax Year 2014:							
Number of returns	4,979	835	180	77	109	27	17
Adjusted gross income (less deficit)	1,419,777	562,623	217,427	132,463	326,512	181,944	505,681
Percent of AGI subject to reduced rate [1]	8.2	14.0	17.6	21.5	26.2	33.8	51.5
Total income tax	276,487	145,018	61,374	38,344	96,136	52,937	131,936
Refundable credits to offset all other taxes	[6]	--	[6]	--	--	--	--
Refundable credits refundable portion	[6]	--	[6]	[6]	--	--	--
Total income tax minus refundable credits [2, 3]	276,487	145,018	61,374	38,344	96,136	52,937	131,936
Average tax rate:							
Total income tax as a percentage of AGI	19.5	25.8	28.2	28.9	29.4	29.1	26.1
Total income tax minus refundable credits as a percentage of AG	19.5	25.8	28.2	28.9	29.4	29.1	26.1

[1] Includes the amount of long-term capital gains and qualified dividends

[2] Refundable credits includes only the portion that is refundable and the part used to offset other taxes.

[3] Includes net premium tax credit, regulated investment company credit, health coverage tax credit, and prior-year returns claiming the refundable prior-year minimum tax credit.

[4] Includes returns with adjusted gross deficit.

[5] Percentage not computed.

[6] Less than \$500,000.

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

Source: IRS, Statistics of Income Division, Publication 1304, September 2017.

the premiums. A taxpayer's APTC eligibility was based on the Marketplace's estimate of the PTC that the taxpayer would be able to claim on his or her tax return. Differences between the APTC that was paid during the year and final value of the PTC are reconciled on Form 8962, Premium Tax Credit, filed with the taxpayer's return. If the APTC was more than the PTC, the taxpayer had to repay this excess, subject to a limit. If the PTC was more than the APTC, the excess was used to reduce the taxpayer's tax payment or increased the taxpayer's refund.

The total premium tax credit was taken on 5.0 million returns on the Form 8962 in 2015 (an increase of 61.1 percent from 2014), for a total of \$18.1 billion (up 61.8 percent) (Figure G). Also in 2015, 5.7 million returns (up 70.1 percent) reported an APTC on Form 8962, totaling \$20.2 billion (up 68.1 percent). When the PTC and APTC were reconciled, 2.3 million returns (a 56.3 percent increase) received a net PTC totaling \$1.5 billion (up 52.8 percent), and 3.3 million returns (up 82.6 percent) had to repay excess APTCs of \$2.7 billion (up 88.6 percent). These data do not reflect amended returns or errors that were corrected after initial processing.

The Affordable Care Act required that individuals have health care coverage for 2015, qualify for a health coverage exemption, or make a shared responsibility payment with a tax return. A health care individual responsibility payment was made on 6.7 million returns, down from the 8.1 million returns in 2014. The health care individual responsibility payment totaled \$3.1 billion, an average of \$465 per tax return paying this penalty. In 2014, the health care individual responsibility payment totaled \$1.7 billion, for an average of \$210 per tax return paying the penalty (see Changes in Law in Section 1). (Other ACA tax provisions, like the credit for small employer health insurance premiums and the additional Medicare tax, took effect in earlier years.)

For more 2014 changes in law and Internal Revenue Service administrative changes, see Section 1 of this publication. In Section 5 find definitions for all items appearing in tables. All the statistics are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ, including electronically filed returns) filed during Calendar Year 2015. For more information on the data sources and limitations, see Section 6.

Figure G. Affordable Care Act Items, Tax Years 2014 and 2015

[Money amounts are in thousands of dollars]

Item	2014		2015		Percentage change	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Total premium tax credit	3,104,620	11,175,462	5,002,765	18,081,434	61.1	61.8
Advance payment of premium tax credit	3,362,356	11,993,488	5,718,907	20,155,707	70.1	68.1
Net premium tax credit	1,499,446	1,010,733	2,343,256	1,544,319	56.3	52.8
Excess advance premium tax credit repayment	1,803,176	1,431,168	3,292,753	2,699,501	82.6	88.6
Health care individual responsibility payment	8,061,604	1,694,088	6,691,982	3,109,377	-17.0	83.5

Data in the figure does not reflect amended returns or errors that were corrected after initial processing.

Source: IRS, Statistics of Income Division, Publication 1304, September 2017.