

IRS Collectibility Curve

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Introduction

When taxpayers incur delinquent tax liabilities, the Internal Revenue Service (IRS) sends them a series of notices during a 6-month period during which the taxpayers are in “notice status.” If the taxpayer does not resolve his or her liability during notice status, the account enters into taxpayer delinquent account (TDA) status. The IRS then determines whether the case will be referred to the Automated Collection System (ACS), assigned directly to the Collection Field function (CFf) for in-person contact by a revenue officer, assigned to the Collection Queue (“Queue”) to await assignment to a revenue officer, or shelved.¹

The ACS is a computerized inventory system and telephone call center. After a case arrives in ACS, the IRS checks for levy sources, telephone numbers, and other characteristics. These actions result in additional computer-generated notices to taxpayers. Customer Service Representatives (referred to as “Collection Representatives”²) work ACS cases and primarily respond to phone calls from taxpayers who call in response to IRS enforcement actions (*e.g.*, levies or liens) rather than proactively contacting taxpayers.

The Queue is an electronic holding bin that holds TDA accounts awaiting assignment to field revenue officers based on inventory levels.³ Cases assigned to the Queue are prioritized using a risk scoring algorithm. Shelved cases are not actively worked by the IRS while in shelved status, but continue to accumulate penalties and interest. This study does not specifically explore collections on shelved cases.

TAS was interested in examining what happens over the life of a tax debt: do people pay more of the tax debt if collections are made earlier in the debt cycle (closer to when the debt actually occurs)? Are there patterns that indicate the likelihood of collecting a debt over time? To this end, TAS Research examined the Individual Master File (IMF) Accounts Receivable Dollar Inventory (ARDI) to determine how dollars collected fluctuate as time elapses.

We looked at delinquencies that originated in each of 10 years (2003 through 2012) and analyzed those delinquencies over two time periods: the next 3 years and the next 10 years.⁴ For purposes of brevity, the tables in the body of this paper include only newly assigned TDAs in 2003, 2005, 2007, 2009, and 2011; however the Appendix contains data on TDAs newly assigned from 2003 through 2012.

Budgetary constraints will make the efficient collection of delinquencies paramount. The IRS should use data on the practical delinquency collection “window” to form the basis for its Collection policies. Good information on the time available to collect various delinquencies effectively will assist the IRS in determining what liabilities should be collected first and if it makes sense to defer the collection of smaller more current liabilities in favor of older, larger liabilities. Furthermore, this research may provide significant insights into which delinquencies the IRS should place in the Collection TDA queue and which it should shelve.⁵

Background

In past Annual Reports to Congress, the National Taxpayer Advocate noted that many of the TDAs in the IRS Automated Collection Branch and the CFf are delinquencies that have existed for several years. The following statistics highlight the age of the IRS TDA inventory:^{6,7}

¹ Shelving refers to the IRS reporting a liability as currently not collectible because of its small balance due.

² IRM 21.1.1.6.

³ Work also goes into the Queue from ACS if it cannot be resolved while in ACS status.

⁴ We chose the 10-year period for analysis because the IRS’s authority to collect delinquent taxes, *i.e.*, the collection statute, expires 10 years after the date of assessment.

⁵ The IRS places TDAs in the collection queue until a revenue officer is available to work the case.

⁶ A TDA represents only one module, generally a tax return for a single tax year. A taxpayer may have multiple TDA delinquencies.

⁷ IRS Collection Activity Report 5000-2 (Oct. 3, 2014).

- Overall, 53 percent of the IRS IMF TDA inventory has been in the function assigned the delinquency for at least 10 months (the delinquency may have been in TDA status much longer);
- Over 70 percent of the IMF TDAs in IRS inventory at the end of 2014 are Tax Year 2010 and prior liabilities; and
- Over 20 percent of the IMF TDAs have less than 4 years remaining on the collection statute, meaning that the delinquency has existed for over 6 years.

Objectives

We identified nine objectives to explore the relationship between the age of a TDA and the dollars that the IRS collects on these liabilities. These objectives explore the dollars collected as TDAs age, and differentiate between dollars collected from subsequent payments and dollars collected by offset.^{8,9} We also explore subsequent payments and offsets by various categories of the balance due amount, the type of assessment, and the accumulation of penalties and interest. Specifically, for IMF liabilities reaching TDA status, we:

- Determine amounts collected from subsequent payments on delinquencies for the 3 years after the liability reaches TDA status;
- Quantify the dollars from subsequent payments collected during the entire 10-year collection statute;
- Delineate the dollars collected from offsets of other overpayments and compare them to collections from other subsequent payments;
- Determine how the collection of liabilities varies by the amount of the delinquency;
- Determine if the rate of collection varies between self-reported liabilities and additional assessments;
- Quantify how penalty and interest cause the liability from a tax assessment to increase the total balance due;
- Determine the percent of liabilities abated by the IRS and if the percentage abated varies by the source of assessment;
- Examine the percent of cases resolved during the 10-year collection statute; and
- Determine if the percent of TDA dollars collected varies by Collection channel.

Methodology

TAS Research examined the IMF ARDI to determine how dollars collected fluctuate as time elapses. We looked at delinquencies that entered TDA status from 2003 through 2012. We analyzed liabilities entering TDA status in 2003, 2004, and 2005 for 10 years.¹⁰ We analyzed the later years through 2014. We focused initially on payments received during the first 3 years after the accounts entered TDA status. To examine payments over the 10-year collection statute and to better differentiate between subsequent payments and offsets from other taxpayer overpayments, we used transaction code data from the IMF. This allowed us to distinguish between payments and offsets, as well as to quantify abatements.¹¹ Transaction codes were also used to classify assessed interest and penalties.¹² We classified a liability by the first calendar year when it reached TDA status. If a delinquent module left and returned to TDA status, we continued to classify it by the first year the IRS assigned the liability to TDA status.¹³

We used the major source of assessment (from the ARDI file) to classify the source of assessment. Sometimes, a liability is comprised of more than one type of assessment. For example, a liability might be comprised of a self-reported assessment and an audit assessment. In this case, the type of assessment is the one most significantly contributing to

⁸ Subsequent payments include voluntary payments from taxpayers, such as those from installment agreements, and involuntary payments such as from an IRS levy.

⁹ Dollars collected from refunds or overpayments due to the taxpayer.

¹⁰ TDAs originating in 2005 will have been in notice status for several prior months. Therefore, the 10-year statute will have expired or be about to expire in 2014.

¹¹ Payments include one of the following transaction codes: 610, 611, 612, 640, 641, 642, 660, 661, 662, 666, 667, 670, 671, 672, 673, 680, 681, 682, 683, 690, 691, 692, 693, 694, 695, 760, 762, and 763. Offsets include one of the following transaction codes: 700, 701, 702, 703, 706, 710, 712, 713, 716, 720, 721, 722, 723, 730, 736, 740, and 742. Abatements include one of the following transaction codes: 161, 167, 171, 177, 181, 187, 191, 197, 235, 239, 241, 247, 271, 277, 281, 287, 291, 295, 299, 301, 305, 309, 321, 337, 341, 342, 351, 361, 538, and 549.

¹² Interest includes the following transaction codes: 190 and 196. Penalties include the following transaction codes: 160, 166, 170, 176, 270, 276, 280, 286, 320, and 350.

¹³ A delinquent account can leave TDA status and enter into another status. For example, if the taxpayer enters into an installment agreement (IA) to repay the delinquency, the account leaves TDA status and enters into IA status. If the taxpayer subsequently defaults on the IA, the account will reenter TDA status.

the balance owed. We determined whether the IRS assigned a TDA liability to ACS, collection queue, or Cff by the Taxpayer Service Returns Processing Category (TRCAT) code, which differs depending on where a liability is located in the collection stream.

Limitations

When we discuss changes in the total module balance of TDAs, we have included both assessed and accrued penalties and interest. However, in the specific objective regarding penalties and interest balance, we have tracked only assessed penalties and interest but have not quantified accrued penalties and interest. Additionally, interest assessed amounts do not contain restricted interest assessments.¹⁴ Although it is a relatively small portion of abatements, dollars abated as a result of accepted offers in compromise are included in total abatements.¹⁵

Findings

In this section, we present the findings for each of the objectives. In addition to providing the data pertinent to each objective, we also offer some insights on whether the results are changing over time and why the underlying trends are present.

Determine amounts collected from subsequent payments on delinquencies for the 3 years after the liability reaches TDA status.¹⁶

For TDAs originating after 2003, our analysis showed that: (a) dollars collected decrease by more than 50 percent from the first year to the second year; and (b) in the third year, collections decrease by about one-third from the amount collected in the second year.¹⁷ In other words, collections are over twice as much during the first year as in the following year and over three times the collection in the third year. For TDAs originating in 2007, collections declined by about 64 percent during the second year after the cases entered TDA status. For 2009, the decrease in total dollars collected in the third year was only about 27 percent. Nevertheless, overall collections for cases entering TDA status after 2003 decreased by about two-thirds from the first year to the third year after entering TDA status.

Table 1 depicts these findings by the years elapsed since the initial liability reached TDA status:

TABLE 1. Subsequent Payments (in \$ Millions) Decrease as Time Elapses, Selected Years Assigned TDA

Years Elapsed	2003		2005		2007		2009		2011	
	Subsequent Payments	% Decrease in Collections from Prior Year	Subsequent Payments	% Decrease in Collections from Prior Year	Subsequent Payments	% Decrease in Collections from Prior Year	Subsequent Payments	% Decrease in Collections from Prior Year	Subsequent Payments	% Decrease in Collections from Prior Year
1	\$1,786.4		\$2,990.8		\$3,664.8		\$3,631.9		\$3,800.1	
2	\$1,166.8	-35%	\$1,344.1	-55%	\$1,330.4	-64%	\$1,675.5	-54%	\$1,748.1	-54%
3	\$848.5	-27%	\$ 832.6	-38%	\$907.0	-32%	\$1,216.8	-27%	\$1,177.6	-33%

Despite accumulation of penalty and interest, as the IRS collects additional dollars, the balance due declines over time.¹⁸ Table 2 shows the overall decline in total module balance over the first 3 years after the liability reached TDA status:

¹⁴ Restricted interest is assessed by transaction code 340 (and abated by transaction code 341). Restricted interest arises when any portion of the interest on an overpayment or underpayment is calculated from a date other than the one that applies to the return as filed. This happens most often when there is a carryback of a loss or credit.

¹⁵ The Fiscal Year (FY) 2014 liabilities compromised were 1.2 percent of the amount of TDAs at the beginning of FY 2014.

¹⁶ Subsequent payments include voluntary payments from taxpayers such as those from IAs and involuntary payments such as from an IRS levy.

¹⁷ In 2003, collections of new TDAs decreased by only about 35 percent from the first to the second year, even though the decrease from the second to the third year was similar to later years. See the Appendix for complete details on all years studied.

¹⁸ This is true only if the dollars collected exceed penalty and interest accruals. In an earlier study examining only currently not collectible (CNC) cases, the module balance actually increased as time elapsed.

TABLE 2. Rate of Module Balance Decline Slows, Selected Years Assigned TDA

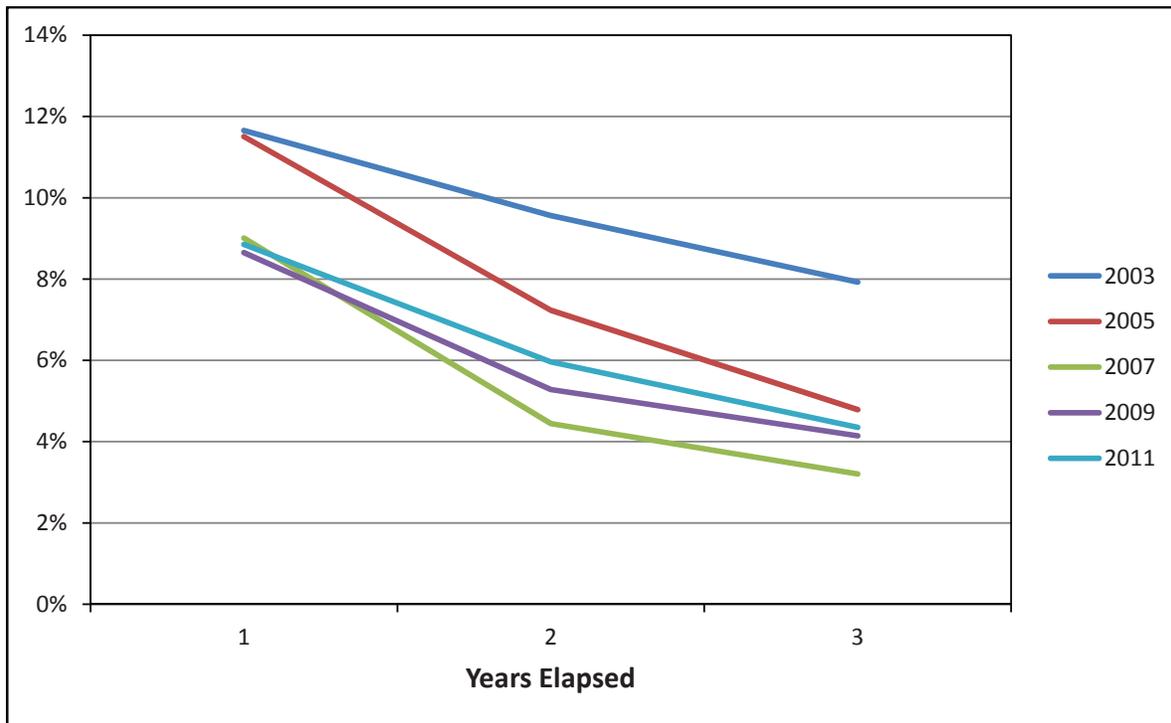
Years Elapsed	2003		2005		2007		2009		2011	
	Total Module Balance (\$M)	% Decline in Module Balance	Total Module Balance (\$M)	% Decline in Module Balance	Total Module Balance (\$M)	% Decline in Module Balance	Total Module Balance (\$M)	% Decline in Module Balance	Total Module Balance (\$M)	% Decline in Module Balance
0	\$15,326.2		\$25,996.1		\$40,678.5		\$41,987.7		\$42,926.2	
1	\$12,321.3	-20%	\$20,872.6	-20%	\$32,783.3	-19%	\$35,332.5	-16%	\$34,795.8	-19%
2	\$10,370.3	-16%	\$17,657.4	-15%	\$28,948.3	-12%	\$31,581.2	-11%	\$29,792.6	-14%
3	\$8,841.3	-15%	\$15,759.1	-11%	\$26,531.7	-8%	\$28,767.3	-9%	\$27,132.4	-9%

Comparing the two previous tables, one notices that the module balance decreases more rapidly than the dollars collected would indicate. This occurs because of the complete or partial abatement of some liabilities, particularly during the first 2 years of a delinquency. We will explore abatements in greater detail in a subsequent section.

On a percentage basis, the dollars collected drop significantly from the first year to the second year, but the decrease slows in the third year. We will explore this issue further in the next study objective when we look at the entire 10-year statutory period to collect delinquent tax liabilities.

Even though the original module balance is declining, the percent collected of the balance is also declining as illustrated in Figure 1:

FIGURE 1. Decline in Dollars Collected as a Percent of Module Balance



An analysis of the data shows that dollars collected decrease as a liability ages. Dollars collected as a percentage of the prior-year dollars collected also decline significantly. Finally, the percent of the original TDA liability, including penalties and interest, being collected decreases significantly from the first year to the second year and then continues to decline, but at a slower rate. Accordingly, the rate at which the total amount of the delinquency decreases slows as time progresses.

Quantify the dollars from subsequent payments collected during the entire 10-year collection statute.

In the first objective, we looked at the first 3 years of collections after a liability reached TDA status. We looked at a period of 3 years because private collection agencies believe that nearly all monies on delinquent debts are collected within the first 3 years after the debt becomes due. Next, we will examine what happens over the entire statutory 10-year collection period.

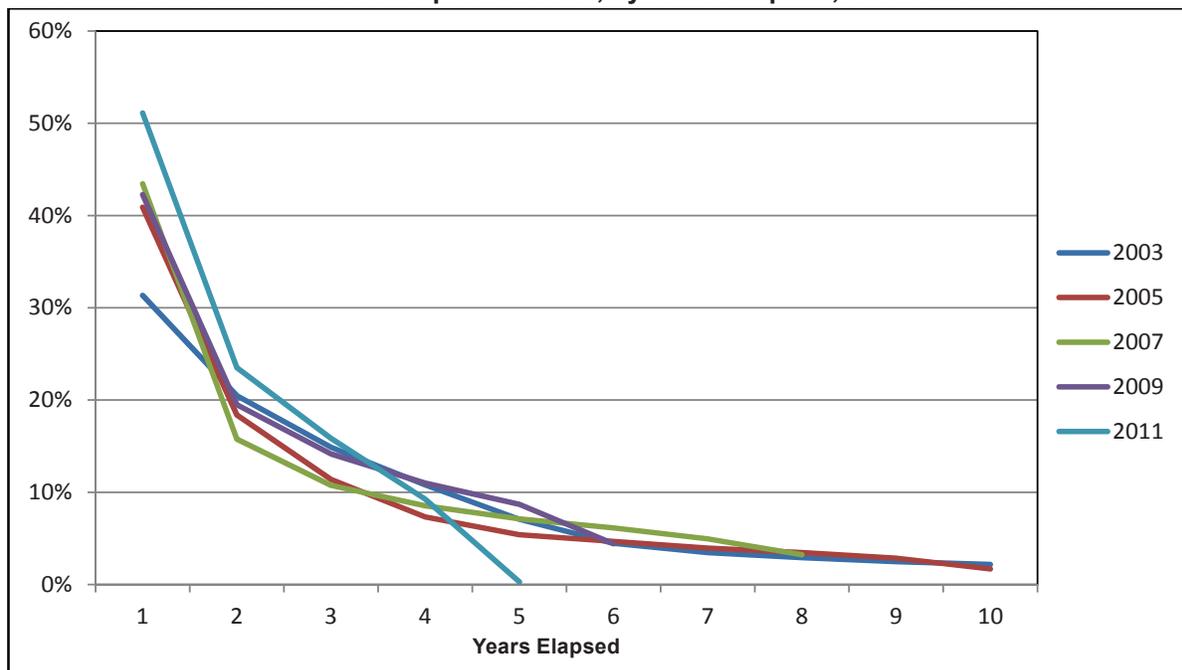
Table 3 depicts the subsequent payments by years elapsed since TDA issuance and the percent of the total dollars collected in each year:

TABLE 3. Subsequent Payments as a Percent of Total Subsequent Payments Collected Per Year, Selected Years Assigned TDA¹⁹

Years Elapsed	2003		2005		2007		2009		2011	
	Amount (\$ Millions)	% of Total								
1		31%	\$2,990.8	41%	\$3,664.8	43%	\$3,631.9	42%	\$3,800.1	51%
2		20%	\$1,344.1	18%	\$1,330.4	16%	\$1,675.5	19%	\$1,748.1	24%
3	\$848.5	15%	\$832.6	11%	\$907.0	11%	\$1,216.8	14%	\$1,177.6	16%
4	\$615.1	11%	\$535.8	7%	\$720.3	9%	\$944.8	11%	\$688.5	9%
5	\$402.9	7%	\$394.7	5%	\$600.3	7%	\$746.6	9%	\$20.8	0%
6	\$254.2	4%	\$341.3	5%	\$517.4	6%	\$379.5	4%		
7	\$196.6	3%	\$289.5	4%	\$417.4	5%				
8	\$166.0	3%	\$252.3	3%	\$272.5	3%				
9	\$141.4	2%	\$209.5	3%	\$7.8	0%				
10	\$123.3	2%	\$123.6	2%						
Total		100%	\$7,314.3	100%	\$8,437.9	100%	\$8,595.2	100%	\$7,435.1	100%

Figure 2 illustrates this same information:

FIGURE 2. Percent Collected in up to 10 Years, by Years Elapsed, Five Selected Years



¹⁹ Subsequent payments include voluntary payments from taxpayers such as those from installment agreements and involuntary payments such as from an IRS levy.

Table 3 clearly shows a decline in the dollars collected as time elapses throughout the collection statute period. Dollars collected level off at about 2 percent in the last year of the collection statute. As we saw in the first objective, the total balance due also declines, although much more slowly in the latter years. This trend is also illustrated in Table 4.

TABLE 4. Decline in Total Balance Owed Within Ten Years After TDA Origination, Selected Years Assigned TDA²⁰

Years Elapsed	2003		2005		2007		2009		2011	
	Total Module Balance (\$M)	% Decline in Module Balance	Total Module Balance (\$M)	% Decline in Module Balance	Total Module Balance (\$M)	% Decline in Module Balance	Total Module Balance (\$M)	% Decline in Module Balance	Total Module Balance (\$M)	% Decline in Module Balance
0	\$15,326.2		\$25,996.1		\$40,678.5		\$41,987.7		\$42,926.2	
1	\$12,202.9	20%	\$20,955.2	19%	\$32,849.0	19%	\$34,910.1	17%	\$34,032.3	21%
2	\$10,705.9	12%	\$18,585.0	11%	\$29,935.1	9%	\$31,718.6	9%	\$29,319.0	14%
3	\$9,603.3	10%	\$17,390.0	6%	\$28,301.1	5%	\$29,367.1	7%	\$27,055.1	8%
4	\$8,947.3	7%	\$16,596.2	5%	\$26,943.5	5%	\$27,478.0	6%	\$26,304.4	3%
5	\$8,477.7	5%	\$15,982.9	4%	\$25,668.2	5%	\$26,092.4	5%		
6	\$8,148.7	4%	\$15,505.7	3%	\$24,806.1	3%	\$25,649.1	2%		
7	\$7,835.7	4%	\$15,067.6	3%	\$24,032.8	3%				
8	\$7,522.2	4%	\$14,613.4	3%	\$23,740.4	1%				
9	\$7,139.4	5%	\$14,138.7	3%						

We should note that the total module balance continues to decline because some accounts are paid in full as time progresses. However, for those accounts that are not resolved, their penalties and interest continue to rise. A larger decrease in year 10 occurs because the collection statute has ended for a majority of the liabilities, and the IRS then clears the previous balance due.

As dollars are collected, the balance due declines over time. Abatements also decrease the liabilities. However, penalties and interest increase the total amount due. We examined the amount of dollars collected by subsequent payments as a percent of the module balance at the beginning of each one-year period. Even though the total balance due generally decreases as taxpayers make subsequent payments and offsets and the IRS abates some portion of the assessment, the percent decrease also shows a similar decline in each year during the study period, as illustrated in Table 5.

TABLE 5. Year-to-Year Percent Decline in Total Balance Due, Selected Years Assigned TDA

Years Elapsed	2003	2005	2007	2009	2011
1	12%	12%	9%	9%	9%
2	10%	6%	4%	5%	5%
3	8%	4%	3%	4%	4%
4	6%	3%	3%	3%	3%
5	5%	2%	2%	3%	
6	3%	2%	2%	1%	
7	2%	2%	2%		
8	2%	2%	1%		
9	2%	1%			
10	2%	1%			

²⁰ The ending balance after 10 years is not shown. Since the 10-year collection statute generally expires in the 10th year after the IRS assigns a case to TDA status, the module balance becomes significantly reduced by the abatements of liabilities that the IRS is no longer permitted to collect.

As a percentage of the balance due, dollars collected generally drop most precipitously from the first to the second year. As the table indicates, the ratio of dollars collected to balances due drops as elapsed time increases.

Determine the dollars collected from offsets of other overpayments and compare to collections from other subsequent payments.

Analysis of the collection activity reports for a number of years shows that a significant percentage of the total dollars collected come from refund offsets, particularly in ACS. Therefore, we distinguished between dollars collected through subsequent payments²¹ and dollars collected through offsets from overpayments on other tax modules. Table 6 compares the amount and percent of the initial balance due collected by subsequent payments to collections by offsets from overpayments (refunds) on other tax accounts (generally other tax years).

TABLE 6. Dollars Collected and Offset, Selected Years (\$ in Millions)

Year Assigned TDA	Balance Due	Subsequent Payments	% Collected	Amount Offset	% Offset	Total % Collected
2003	\$15,326.2	\$5,701.2	37.2%	\$ 2,150.7	14.0%	51.2%
2005	\$25,996.1	\$7,314.3	28.1%	\$ 3,086.5	11.9%	40.0%
2007	\$40,678.5	\$8,437.9	20.7%	\$ 4,493.5	11.0%	31.8%
2009	\$41,987.7	\$8,595.2	20.5%	\$ 4,173.6	9.9%	30.4%
2011	\$42,926.2	\$7,435.1	17.3%	\$ 3,583.2	8.3%	25.7%

For delinquencies reaching TDA status in 2003, the amount collected from subsequent payments is nearly three times the amount offset. However, for delinquencies reaching TDA status in later years, subsequent payments are only about twice the amount offset. On a percentage basis to the amount initially owed, subsequent payments have decreased significantly from TDAs first assigned in 2003 to TDAs first assigned in 2011; however, offsets have remained relatively stable, decreasing by only a few percent. While it is true that delinquencies reaching TDA status since 2006 still have some years remaining on the collection statute, the dollars collected increased by less than 10 percent during the last 6 years of the 10-year collection statute for TDAs issued in 2003 and 2005. Therefore, it is unlikely that dollars collected from TDAs issued in later years will increase sufficiently to realize the same proportion of dollars collected to dollars offset as in earlier years. Since offsets are relatively flat over the period examined, we generally see the same trends in total dollars collected, as we saw when examining only subsequent payments.

Determine how the collection of liabilities varies by the amount of the delinquency.

In addition to comparing the dollars collected by subsequent payments and the offsets of overpayments, we also compare the dollars collected by subsequent payments and offsets in six ranges of the balance due. As one might expect, the IRS collects a greater percentage of the liability when it is not more than \$5,000.

As illustrated in Table 7, an analysis of the TDA modules clearly shows that the majority of delinquency amounts do not exceed \$5,000. However, higher dollar ranges contain the highest percentage of the delinquent dollars, even though these categories contain only a small percent of the delinquent modules. For example, in 2003, about three-quarters of the TDA modules were under \$5,000, while over 80 percent of the delinquent dollars were in the highest three balance due ranges, *i.e.*, the categories greater than \$5,000. In fact, over half of the overall delinquent dollars were on modules with more than \$25,000 due. Interestingly, however, from 2003 to 2011, the percent of delinquent TDA modules under \$5,000 fell from over 75 percent to under 68 percent while the percent of dollars in the highest three dollar ranges increased from under 82 percent to over 88 percent. This trend indicates that more taxpayers owe liabilities over \$5,000.²² Inflation undoubtedly accounts for part of this increase, rising by about 17 percent during this period, but the combined initial TDA balance for modules with balances greater than \$5,000 is nearly three times as high in 2011 as in 2003.²³ This increase in balance due is a disturbing trend for the IRS.

²¹ Subsequent payments include voluntary payments from taxpayers such as those from installment agreements and involuntary payments such as from an IRS levy.

²² For liabilities entering TDA status in 2009, only about 60 percent of the delinquent modules had liabilities of \$5,000 or less. This situation may be attributable to the depressed economic conditions in 2008.

²³ Bureau of Labor Statistics Consumer Price Index inflation calculator available at: http://www.bls.gov/data/inflation_calculator.htm.

TABLE 7. Modules, Balance Due, and Dollars Collected by Initial Module Liability Dollar Range

Year	Description	\$1 to \$1,000	\$1,001 to \$2,000	\$2,001 to \$5,000	\$5,001 to \$10,000	\$10,001 to \$25,000	Greater Than \$25,000
2003	Module Count	451,712	505,146	565,164	250,331	160,431	92,971
	Percent of Modules in Range	22%	25%	28%	12%	8%	5%
	Aggregate Balance Due	\$240.8	\$740.6	\$1,793.1	\$1,745.4	\$2,446.9	\$8,359.3
	Percent of Total Balance in Range	2%	5%	12%	11%	16%	55%
	Percent Collected by Subsequent Payment	66%	49%	49%	48%	43%	29%
	Percent Collected by Offset	50%	44%	35%	22%	13%	5%
2005	Module Count	467,988	561,662	762,610	388,628	254,399	172,255
	Percent of Modules in Range	18%	22%	29%	15%	10%	7%
	Aggregate Balance Due	\$250.8	\$832.9	\$2,462.5	\$2,713.9	\$3,886.6	\$15,849.4
	Percent of Total Balance in Range	1%	3%	9%	10%	15%	61%
	Percent Collected by Subsequent Payment	79%	54%	50%	44%	37%	18%
	Percent Collected by Offset	55%	50%	38%	23%	13%	3%
2007	Module Count	781,534	666,064	1,006,717	616,892	408,744	260,839
	Percent of Modules in Range	21%	18%	27%	16%	11%	7%
	Aggregate Balance Due	\$449.3	\$978.5	\$3,313.1	\$4,309.5	\$6,214.7	\$25,413.3
	Percent of Total Balance in Range	1%	2%	8%	11%	15%	62%
	Percent Collected by Subsequent Payment	60%	45%	40%	33%	27%	13%
	Percent Collected by Offset	61%	51%	37%	23%	12%	3%
2009	Module Count	520,936	596,584	1,038,155	697,679	479,893	292,604
	Percent of Modules in Range	14%	16%	29%	19%	13%	8%
	Aggregate Balance Due	\$290.8	\$907.6	\$3,388.5	\$4,874.9	\$7,346.0	\$25,179.9
	Percent of Total Balance in Range	1%	2%	8%	12%	17%	60%
	Percent Collected by Subsequent Payment	58%	40%	35%	27%	23%	15%
	Percent Collected by Offset	46%	40%	31%	19%	10%	4%
2011	Module Count	825,154	754,679	1,136,688	639,600	422,102	246,137
	Percent of Modules in Range	20.5%	18.8%	28.2%	16%	10%	6%
	Aggregate Balance Due	\$480.4	\$1,117.9	\$3,718.7	\$4,484.3	\$6,436.7	\$26,688.3
	Percent of Total Balance in Range	1%	3%	9%	10%	15%	62%
	Percent Collected by Subsequent Payment	37%	27%	22%	18%	17%	11%
	Percent Collected by Offset	47%	39%	27%	16%	9%	2%

We also see in Table 7 that the percent of dollars offset is highest in the lowest dollar categories of TDA dollars due, declining as the balance due increases. As the table indicates, about half of delinquency amounts up to \$2,000 are collected by refund offsets. Since a majority of the TDAs in ACS have lower balances due, it is not surprising that almost half of the ACS total dollars collected are from offsets.²⁴ The dollars collected from offsets also decline as the TDA balance due increases.

We see from Table 7 that more than 100 percent of the initial balance is sometimes paid. This occurs because penalties and interest have continued to accrue so the final balance paid by the taxpayer is significantly higher than the initial balance due.

Determine if the rate of collection varies between self-reported liabilities and additional assessments.

We explored whether the amount collected by the IRS depends on the source of the underlying assessment. Specifically, we examined whether the IRS collects a greater percentage of self-reported liabilities than liabilities initiated or increased by the IRS (e.g., additional assessments from audits, third-party information matching (AUR), or Automated

²⁴ Collection Activity Report 5000-2 (Oct. 2014). For individual liabilities, offsets actually exceeded dollars collected through collection activities and voluntary subsequent payments.

Substitute for Returns). As expected, the IRS is more successful at collecting self-reported liabilities than additional assessments. Table 8 depicts the difference between percentages of the initial liability collected by subsequent payment, based on the source of the liability.

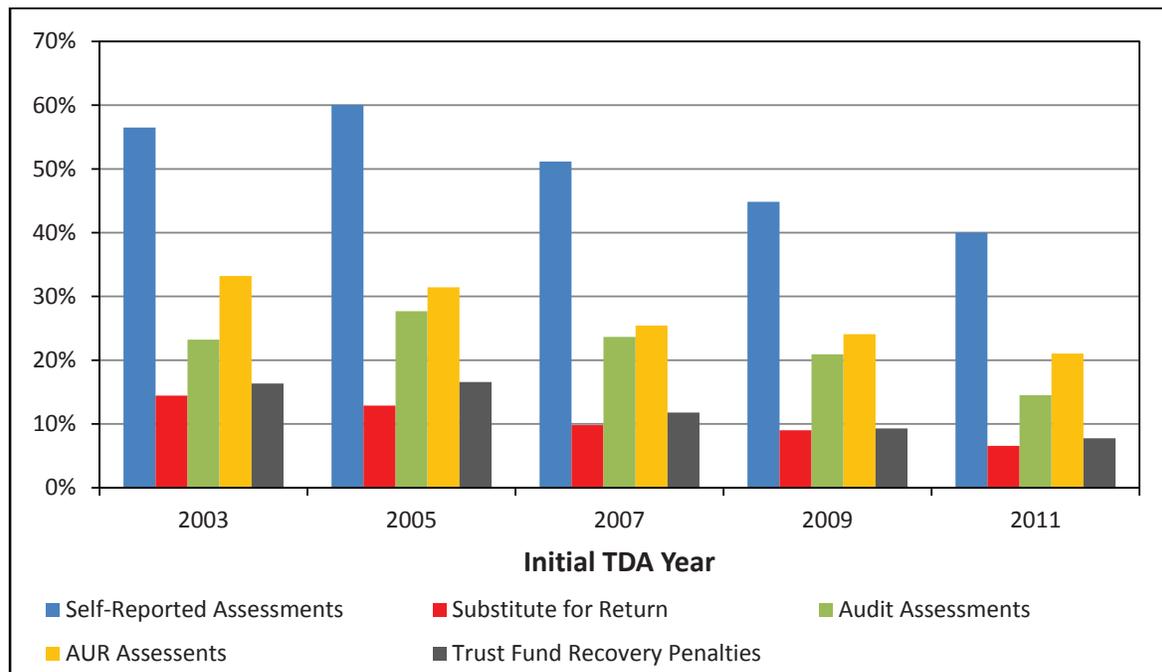
TABLE 8. Percent Collected by Subsequent Payment Based on Source of Assessment

Year	Self-Reported Assessments	Substitute for Return	Audit Assessments	AUR Assessments	Trust Fund Recovery Penalties
2003	56%	14%	23%	33%	16%
2005	60%	13%	28%	31%	17%
2007	51%	10%	24%	25%	12%
2009	45%	9%	21%	24%	9%
2011	40%	7%	15%	21%	8%

Clearly, the IRS is most likely to collect self-reported liabilities, which it does at a rate at least twice as great as it collects audit assessments.²⁵ In general, the IRS collects a slightly higher percentage of AUR assessments than audit assessments. The IRS also collects only a small percentage of substitute for returns and trust fund recovery penalty assessments.

Figure 3 illustrates the difference in the percent of the initial liability collected by subsequent payment for various assessment types.

FIGURE 3. Percent of Initial TDA Liability Collected by Subsequent Payment, Based on Assessment Type



Interestingly, the dollars collected on all of these types except audits have declined significantly since 2005. This disturbing trend merits additional investigation.²⁶

²⁵ It seems reasonable that taxpayers who assess themselves a balance due are more willing to pay than those who are audited. This may also reflect the fact that returns expected to generate larger audit assessments tend to be selected for audit and, as our analysis shows, a smaller percent of large liabilities—*i.e.*, liabilities exceeding \$5,000—are ultimately collected.

²⁶ Since the collection statute has not expired for cases reaching TDA status in the latter years shown in the chart, more monies will be collected; however, as we have shown, we do not expect the IRS to collect many more dollars on these liabilities in the last half of the collection statutory period.

We also broke out offsets from the total dollars collected and explored the dollars collected due to offsets. The IRS collects a higher percentage of AUR assessments through offsets than any other type of assessment, even self-reported assessments. Table 9 displays the percent of the initial TDA balance offset by source of assessment.

TABLE 9. Percent Collected by Offsets Based on Source of Assessment

Year	Self-Reported Assessments	Substitute for Return	Audit Assessments	AUR Assessments	Trust Fund Recovery Penalties
2003	18%	4%	12%	34%	6%
2005	20%	5%	20%	32%	6%
2007	20%	5%	25%	36%	6%
2009	15%	4%	20%	28%	6%
2011	10%	2%	12%	25%	4%

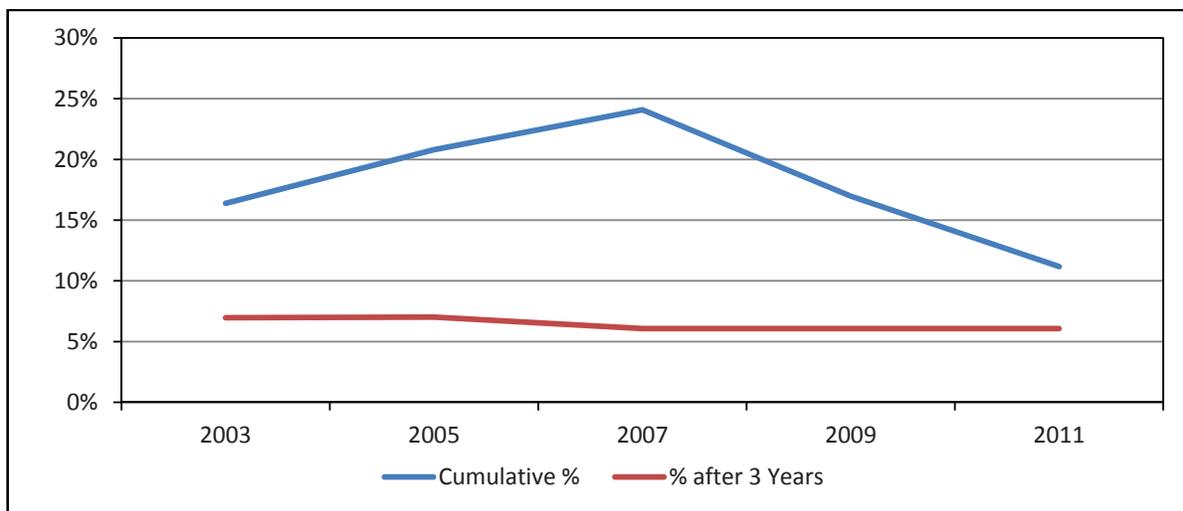
Also, the difference in offset dollars collected between audit and self-reported assessments is not as great as the difference of offset dollars collected between audit and AUR additional assessments. In fact, AUR assessments actually resulted in the highest percent of the liabilities paid by offset—almost twice that of self-reported liabilities.

AUR liabilities also account for three times the percent of dollars offset to audit liabilities in 2003. While the gap in dollars offset between AUR and audit liabilities has narrowed by 2011, it is still significant. Perhaps the reason AUR assessments see such a high percent of their initial TDA balance offset, even compared to self-reported liabilities, is because a much higher percent of self-reported liabilities are collected through subsequent payments. Taxpayers who receive AUR assessments may also be more likely to receive future refunds, since these taxpayers are often wage earners who have their income tax withheld by the payer.

Quantify how penalty and interest cause the liability from a tax assessment to increase the total balance due.

At first glance, it appears that penalties and interest have been declining since 2003. However, the significant abatement rate of the initial liability masks the increase in the balance due attributable to penalties and interest. Specifically, abatements have increased so the original TDA balance has experienced a greater decrease. Therefore, penalties and interest comprise a greater percentage of the amount actually determined due by the IRS. When one considers the amounts of abatement from the initial TDA assessment, the percentage of the liability actually due to penalties and interest is generally rising. From 2003 to 2007, penalties have comprised a larger portion of the initial TDA balance the IRS has assessed and determined due. For 2009 and 2011, sufficient time has not elapsed to realize the significant effect of penalties and interest. Figure 4 illustrates this fact, showing that through 2007, penalties and interest have continued to constitute a larger percentage of the initial liability the IRS has determined due.

FIGURE 4. Percent of Liability Due Attributable to Penalties and Interest



From 2003 to 2007, the portion of the initial assessment (actually due) resulting from penalties and interest increased to almost a quarter of the initial liability. For later years, the portion on the initial TDA liability (actually due) is likely to become an even higher percentage, although sufficient time has not elapsed to experience the full impact of penalties and interest.

As the IRS takes longer to collect liabilities, taxpayer burden will continue to increase, as taxpayers pay even larger amounts of penalties and interest. The graph also shows that through the first 3 years after TDA assignment, penalties and interest remain relatively constant. However, as the IRS continues to resolve fewer TDAs, the percent of the initial liability attributable to penalties and interest will continue to grow. By the 10th year of the collection statute, taxpayers with TDAs originating in 2003 and 2004 owed more than twice the amount of penalties and interest they owed 3 years after TDA assignment. For TDAs originating in 2005, taxpayers owed more than three times the penalty and interest in 2014 (10 years later) than they did in 3 years after the initial TDA. As the years progress, the IRS has assigned more accounts to TDA status; however, for the 3 years the 10-year collection statute has had sufficient time to lapse, the average amount of assessed penalty and interest has also increased for each TDA.

Determine the percent of liabilities abated by the IRS and if the percentage abated varies by the source of assessment.

Both dollars abated from the initial TDA assessment²⁷ and the percent of the initial balance abated have continued to be higher than the 2003 rate, and they remain at an overall higher level, as indicated in Table 10.

TABLE 10. Percent of Initial TDA Balance Abated²⁸

Year	Initial TDA Balance	Amount Abated	Percent Abated
2003	\$15,326,191,192	\$2,985,977,270	19%
2005	\$25,996,084,845	\$8,066,761,341	31%
2007	\$40,678,451,308	\$13,086,103,480	32%
2009	\$41,987,700,518	\$10,716,623,485	26%
2011	\$42,926,217,917	\$11,990,870,525	28%

The dollars abated continue to increase. The rate of abatement for 2007 is higher than in 2003 and 2005, even though the TDAs in 2007 have about two more years remaining on the collection statute. The abatement rate is down slightly since 2007; however, less time has elapsed. The data suggest that Collection is continuing to focus significant resources on bad assessments.

We also explored the TDA dollars abated by the source of assessment, as indicated in Table 11. IRS substitute for return assessments are the most likely to be abated.²⁹ For 2003 and 2005, where 10 years have elapsed since assignment to a TDA, almost half of liability amounts have been abated.

TABLE 11. Percent of TDA Amount Abated, by Source of Assessment

Year	Self-Reported Assessments	Substitute for Return	Audit Assessments	AUR Assessments	Trust Fund Recovery Penalties
2003	6%	49%	15%	15%	39%
2005	6%	47%	12%	29%	40%
2007	12%	43%	14%	28%	35%
2009	9%	36%	13%	27%	28%
2011	16%	40%	19%	18%	29%

²⁷ Dollars abated may include tax, penalty, and interest.

²⁸ For TDAs initially assigned in 2003 and 2005, abatements are also attributable to the expiration of the 10-year collection statute.

²⁹ This is presumably due to the fact that SFR assessments are based on the assumption that the taxpayer is single, claiming the standard deduction. That assessment prompts some taxpayers to file a delinquent return, which documents a lower tax liability—thus, the abatement of the overstated liability. However, the remaining assessment could still be very cost-effective to collect.

Obviously, substitute for return assessments are generating considerable rework for the IRS and may be preventing the IRS from collecting additional subsequent payments on more productive work. IRS should ensure substitute for return assessments are at least as cost-effective as other types of assessments and review current procedures to identify revisions that could improve productivity.

The abatement rate of AUR assessments has also increased significantly since 2003, possibly implying that the IRS is selecting more cases for AUR assessments, even though it is less certain that the taxpayer is liable for the additional tax. Trust Fund Recovery Penalties (TFRP) have an abatement rate almost as high as that of substitute for return assessments. However, TFRP assessments may have necessarily high abatement rates because the IRS abates the liability, as it is paid by the underlying corporation or other responsible officers.

Examine the percentage of cases resolved during the 10-year collection statute.

We examined the percentage of cases completely resolved within the usual 10-year collection statute. Overall, the IRS completely resolved nearly 80 percent of the cases reaching TDA status in 2003 and 2005 by the ninth year of the collection statute.³⁰ The percentage of cases closed in the 10th year of collection statute increases significantly because liabilities are being abated in full as the collection statute expires.³¹ Although more time remains on the collection statute for TDAs assigned in more recent years through equivalent periods of elapsed time, the percent of the balance due collected has been declining from earlier years.³² This information is illustrated by Table 12.

TABLE 12. Cumulative Closure Rate

Elapsed Years	2003	2005	2007	2009	2011
1	23%	25%	27%	21%	25%
2	38%	39%	40%	33%	37%
3	50%	49%	47%	41%	45%
4	58%	56%	53%	48%	48%
5	65%	61%	58%	52%	
6	69%	65%	62%	54%	
7	73%	68%	65%		
8	76%	71%	66%		
9	80%	74%			
10	95%	80%			

Though the IRS resolves most TDA modules, at least one-third of the total dollar amount of the liabilities remains 4 years after a delinquency reaches TDA status, as illustrated in Figure 5.³³

The overall high closure rate is undoubtedly because, as discussed earlier, the vast majority of modules owe no more than \$5,000. The IRS is generally effective at collecting these smaller liabilities through subsequent payments and offsets. The data also indicate that the percentage of the total liability collected, including penalties and interest, has been declining since 2003, although the rate of liability growth due to penalties and interest has increased.

As the closure rate has generally declined from 2003 to 2009, the volume of TDA cases remaining open has continued to increase. Table 13 shows the volume of cases still open since the liability was assigned to TDA status.

³⁰ The liability may be completely resolved because: (a) the taxpayer paid the liability in full, including penalties and interest; (b) the IRS may have determined the liability was incorrect and abated all or part of it; or (c) the IRS may have accepted an offer to compromise the tax liability for less than the full amount.

³¹ The closure rates depicted are for TDA liabilities. Since time has elapsed between the assessment of a liability and when the IRS assigns it to TDA status, the collection statute generally expires during the 10th year since the liability reached TDA status (rather than at the end of the 10th year). Certain actions, such as the consideration of an installment agreement, offer in compromise, or bankruptcy proceeding may extend the collection statute. Additionally, the taxpayer may voluntarily extend the collection statute, usually to pursue a long-term installment agreement.

³² The closure rate for 2011 is higher than the rate in 2009 until the fourth year.

³³ We used the fourth year of the collection statute for an even comparison.

FIGURE 5. Liability Remaining Four Years After TDA Issued

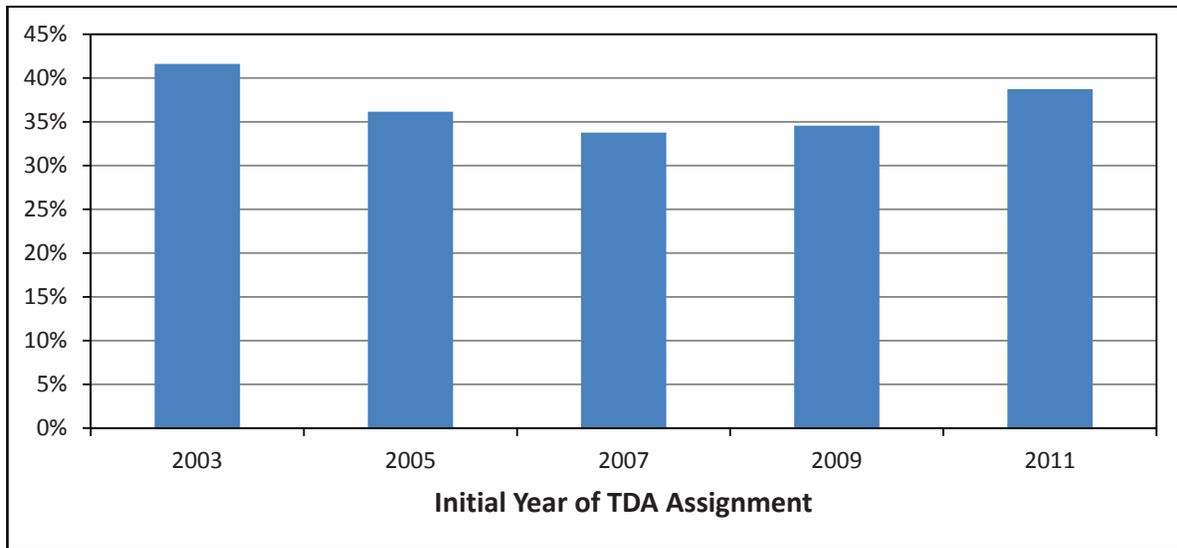


TABLE 13. Percent of Cases Remaining Open by Years Since Becoming a TDA

Year Since TDA Issued	2003	2005	2007	2009	2011
1	77%	75%	73%	79%	75%
2	62%	61%	60%	67%	63%
3	50%	51%	53%	59%	55%
4	42%	44%	47%	52%	52%
5	35%	39%	42%	48%	
6	31%	35%	38%	46%	
7	27%	32%	35%		
8	24%	29%	34%		
9	20%	26%			
10	5%	20%			

The volume of open cases in 2011 is many times larger than in 2003. A significant reason for this is that the volume of new TDAs has increased so dramatically; another might be the declining trend of Collection staffing. The table demonstrates that the closure rate drops as the years progress after a module reaches TDA status. While one-fifth or less of the cases remained unresolved at the time of collection statute expiration for new TDAs from 2003 to 2005, it is likely that nearly a third of the new TDAs since 2007 will remain unresolved at the time of collection statute expiration.

Determine if the percentage of TDA dollars collected varies by Collection channel

The dollars collected and abated do vary by Collection channel. Table 14 shows that the largest percentage of dollars collected by subsequent payments and refund offsets were garnered by ACS.

TABLE 14. Percent of Initial Balance Satisfied by Payments, Offsets, or Abatements

Year	ACS			Queue			Collection Field Function		
	Percent of Initial Balance			Percent of Initial Balance			Percent of Initial Balance		
	Collected by Subsequent Payments	Collected by Offsets	Abated	Collected by Subsequent Payments	Collected by Offsets	Abated	Collected by Subsequent Payments	Collected by Offsets	Abated
2003	44%	22%	14%	29%	6%	23%	32%	6%	28%
2005	40%	21%	21%	17%	5%	37%	21%	6%	39%
2007	39%	25%	19%	11%	4%	36%	13%	5%	41%
2009	30%	16%	20%	9%	4%	27%	13%	5%	32%
2011	26%	15%	16%	8%	3%	37%	12%	2%	42%

The table shows that ACS dollars collected from subsequent payments have continued to decrease since 2003. For liabilities reaching TDA status since 2005, additional time remains to receive subsequent payments and offsets; however, the percent of the liability collected has increased by no more than 10 percent in the final 6 years of the collection statute. Therefore, it seems likely ACS will collect a significantly smaller percentage of the initial TDA balance than in 2003. The trend of the IRS collecting fewer dollars through subsequent payments is even stronger for the cases assigned to the queue and Cff.

Offsets as a percentage of the initial TDA balance due actually increased slightly for new ACS TDAs from 2003 to 2007, but then drastically decreased in 2009 and 2011. For TDAs assigned to the queue or Cff, offsets as a percent of the initial TDA balance have generally remained constant, though garnering a relatively small percent of the initial TDA balance.

Abatements of at least some of the initial TDA balance are relatively high in all three functions with TDA inventory. However, the percentage of the initial TDA balance abated is higher in the queue than in ACS and even higher in Cff. In fact, about a third of the initial balances of the TDAs assigned to Cff are abated. This means that Cff personnel are spending a significant portion of their time resolving problem assessments. Accordingly, a review of current procedures might identify ways that these cases could be worked more effectively.

After removing abatements from the initial balance due and when considering only the first 6 years since the case reached TDA status, the percent of initial TDA dollars collected is significantly higher, as indicated by Table 15.³⁴

TABLE 15. Percent of Initial TDA Balance After Abatements Collected by Payments and Offsets After First Six Years in TDA Status

Year	ACS	Queue	Cff
2003	67%	39%	45%
2005	69%	28%	35%
2007	73%	20%	26%
2009	58%	19%	26%

Although Table 15 combines dollars collected through subsequent payments and offsets, the total amount collected becomes a larger percent of the actual balance due, since abatements are excluded. This is particularly noticeable in Cff, which consistently has the highest percentage of abatements when compared to the other TDA collection channels. In general, the percent of the initial TDA balance collected has declined since 2003.

Conclusions and Summary

The IRS is more successful at collecting liabilities soon after TDA assignment. This result is similar to the experience of private collection agencies. Dollars do continue to be collected throughout the life of the 10-year collection statute period; however, the payment rate slows significantly. As one might expect, the IRS is also more successful in its

³⁴ We have removed TDAs originating in 2011 since sufficient time has not elapsed to examine collections 6 years later.

collection of self-reported assessments and smaller TDA balances. The IRS continues to deal with a high number of bad assessments that hamper its TDA collections. While we are heartened by the IRS's willingness to abate improper (or uncollectible) assessments, we wonder how many taxpayers pay assessments for which they are not liable, before the IRS even assigns the delinquency to TDA status. We have distilled the findings from the nine objectives into nine specific conclusions.

1. Dollars collected in aggregate and as a percentage of the balance due decrease significantly during the first 3 years after the IRS assigns a liability to TDA status. The decline in the module balance also slows significantly during these first 3 years.
2. When continuing to look at the collection of liabilities after the third year of the initial TDA assignment, collections continue to dwindle, and the reduction in the module balance declines almost completely by the expiration of the collection statute.
3. Overall, dollars collected through the offsets of other overpayments are significantly less than dollars collected through subsequent payments. However, dollars collected through offsets decrease much less precipitously than dollars collected from subsequent payments as time elapses from the initial TDA assignment.
4. Delinquent modules with balances due not in excess of \$5,000 comprise the vast majority of TDAs. However, over 80 percent of the total amount due resides with TDAs with balances greater than \$5,000. The IRS collects both a higher percentage of subsequent payments and offsets in the lowest balance due categories. Collections and offsets as a percentage of the balance due progressively decrease as the balance due rises.
5. The percentage of the TDA balance collected is significantly greater for self-reported liabilities than when the IRS makes additional assessments. However, AUR assessments result in a greater percentage of dollars collected through offsets.
6. Penalty and interest significantly increase the balance owed by taxpayers, particularly when the underlying balance remains unresolved for several years.
7. The IRS abates between a quarter and a third of TDA liabilities and 40 to 50 percent of its substitute for return assessments. It also abates a high proportion of AUR assessments.
8. The IRS completely resolves most of its TDA modules within the 10-year collection statute, with a resolution rate of about 80 percent for TDAs assigned in 2003 and 2005. Unfortunately, the percent of TDAs resolved has generally declined thereafter. Additionally, the balance owed on these delinquencies has been reduced by less than 50 percent.
9. ACS realizes the largest percentage of TDA balances collected by subsequent payment and offset. While the percentage of dollars abated is high in all TDA collection channels, the abatement rates are significantly higher in the queue and Cff than in ACS. However, even controlling for abatements, ACS collects a greater percentage of the liabilities assigned to it compared to the other TDA functions.³⁵

Possible Future Analyses

We hope to perform a similar analysis on Business Master File (BMF) TDAs. A proper examination of the TDA process must include both IMF and BMF delinquencies. We also want to explore dollars collected and abated, which are generated by IRS additional assessments prior to TDA assignment. Finally, we would like to explore the effect of not only penalty and interest assessments, but also their accruals. In the case of unpaid liabilities, accrued penalties and interest are often never assessed. IRS TDA collections occur within a complex and dynamic environment, and this subject will undoubtedly benefit from many other avenues of study.

³⁵ No active collection occurs on cases in the collection queue; however, offsets still occur and previous IRS notices may continue to generate payments even while the TDA is assigned to the collection queue.

TABLE A-1. TDA Modules, Balances Due, Dollars Collected by Subsequent Payments and Offsets, Assessed Penalties, Assessed Interest, and Abatements

Calendar Year	Balance at TDA Assignment	Count of Initial TDAs	Elapsed Years	TDAs Open at End of Year	Initial Balance of TDAs Open at Beginning of Year	Balance of TDAs Open at End of Year	Subsequent Payments	Offsets	Penalty	Interest	Abated
2003	\$15,326,191,192	2,025,755	1	1,558,504	\$12,202,854,742	\$12,321,333,646	(\$1,786,425,808)	(\$611,820,128)	\$89,119,656	\$62,701,617	(\$1,106,542,945)
			2	1,249,051	\$10,705,878,192	\$10,370,295,098	(\$2,953,192,068)	(\$1,004,364,248)	\$269,670,662	\$201,012,229	(\$1,829,914,155)
			3	1,016,996	\$9,603,254,459	\$8,841,346,757	(\$3,801,679,211)	(\$1,277,319,134)	\$585,337,406	\$326,153,660	(\$2,224,684,772)
			4	847,927	\$8,947,277,180	\$7,687,319,274	(\$4,416,806,933)	(\$1,483,618,443)	\$739,002,105	\$452,949,424	(\$2,488,570,542)
			5	714,507	\$8,477,650,276	\$6,877,286,149	(\$4,819,728,794)	(\$1,684,130,906)	\$831,819,282	\$576,698,445	(\$2,684,022,516)
			6	619,011	\$8,148,690,214	\$6,297,481,488	(\$5,073,940,295)	(\$1,829,221,428)	\$889,248,536	\$671,604,646	(\$2,778,370,133)
			7	548,004	\$7,835,654,529	\$5,800,613,947	(\$5,270,506,889)	(\$1,933,592,477)	\$927,727,194	\$753,409,760	(\$2,862,189,720)
			8	483,727	\$7,522,186,532	\$5,380,880,143	(\$5,436,525,749)	(\$2,024,868,988)	\$958,856,995	\$824,597,632	(\$2,919,730,570)
			9	414,757	\$7,139,350,498	\$4,956,881,909	(\$5,577,901,284)	(\$2,101,141,358)	\$976,327,065	\$886,788,555	(\$2,957,500,657)
			10	103,959	\$2,715,523,009	\$1,849,467,741	(\$5,701,245,981)	(\$2,150,746,245)	\$986,076,244	\$1,035,691,869	(\$2,985,977,270)
2004	\$17,476,051,716	2,006,000	1	1,506,593	\$14,153,844,859	\$14,143,137,643	(\$2,501,899,078)	(\$747,349,755)	\$149,376,200	\$105,452,460	(\$1,584,920,917)
			2	1,203,022	\$12,549,660,891	\$11,975,498,939	(\$3,754,805,143)	(\$1,154,990,432)	\$452,808,938	\$226,818,884	(\$2,569,660,336)
			3	992,048	\$11,521,880,241	\$10,436,948,936	(\$4,596,320,388)	(\$1,439,730,392)	\$669,618,362	\$360,478,204	(\$3,187,925,790)
			4	828,892	\$10,878,654,148	\$9,336,449,727	(\$5,148,678,296)	(\$1,702,363,549)	\$801,491,959	\$496,624,078	(\$3,538,338,134)
			5	715,665	\$10,351,952,753	\$8,504,213,714	(\$5,503,793,070)	(\$1,894,349,784)	\$883,250,592	\$608,266,879	(\$3,739,317,881)
			6	633,569	\$10,003,813,674	\$7,901,689,312	(\$5,772,219,032)	(\$2,022,786,186)	\$938,660,871	\$703,039,219	(\$3,862,272,262)
			7	566,207	\$9,700,168,602	\$7,385,215,277	(\$5,988,599,885)	(\$2,135,679,620)	\$982,062,268	\$786,224,962	(\$3,957,635,608)
			8	505,348	\$9,403,151,087	\$6,952,037,321	(\$6,172,225,808)	(\$2,228,208,053)	\$1,007,015,975	\$861,745,767	(\$4,037,658,221)
			9	439,849	\$8,950,989,408	\$6,427,925,814	(\$6,340,470,292)	(\$2,302,166,002)	\$1,037,347,823	\$1,281,890,856	(\$4,094,826,942)
			10	112,388	\$2,958,725,002	\$2,161,305,313	(\$6,460,997,698)	(\$2,354,540,305)	\$1,047,975,390	\$2,042,654,002	(\$4,150,004,992)
2005	\$25,996,084,845	2,607,542	1	1,955,638	\$20,955,172,357	\$20,872,616,207	(\$2,990,840,093)	(\$936,838,872)	\$307,557,342	\$145,216,764	(\$3,513,228,092)
			2	1,592,045	\$18,585,020,738	\$17,657,416,604	(\$4,334,974,344)	(\$1,446,837,231)	\$670,504,187	\$302,527,494	(\$5,507,789,892)
			3	1,326,084	\$17,390,016,757	\$15,759,106,685	(\$5,167,617,507)	(\$1,908,989,084)	\$902,564,484	\$470,456,001	(\$6,399,531,567)
			4	1,146,071	\$16,596,217,970	\$14,423,464,446	(\$5,703,405,817)	(\$2,239,561,550)	\$1,036,694,485	\$620,049,022	(\$6,880,716,807)
			5	1,021,777	\$15,982,934,958	\$13,440,585,575	(\$6,098,077,184)	(\$2,462,184,885)	\$1,125,512,272	\$747,675,302	(\$7,235,932,955)
			6	920,443	\$15,505,712,748	\$12,629,990,619	(\$6,439,393,580)	(\$2,653,438,207)	\$1,195,301,649	\$866,792,903	(\$7,585,208,018)
			7	835,687	\$15,067,568,527	\$11,945,667,325	(\$6,728,867,200)	(\$2,814,797,286)	\$1,238,566,723	\$975,711,954	(\$7,762,861,068)
			8	759,818	\$14,613,428,103	\$11,290,987,893	(\$6,981,187,587)	(\$2,940,382,649)	\$1,267,269,374	\$1,574,319,150	(\$7,934,958,417)
			9	672,606	\$14,138,685,088	\$10,636,264,945	(\$7,190,638,676)	(\$3,041,430,818)	\$1,287,987,437	\$3,395,828,366	(\$8,019,244,730)
			10	509,936	\$10,346,307,042	\$7,790,616,336	(\$7,314,258,218)	(\$3,086,529,497)	\$1,297,081,117	\$3,728,401,948	(\$8,066,761,341)

Table A-1. TDA Modules, Balances Due, Dollars Collected by Subsequent Payments and Offsets, Assessed Penalties, Assessed Interest, and Abatements—Continued

Calendar Year	Balance at TDA Assignment	Count of Initial TDAs	Elapsed Years	TDAs Open at End of Year	Initial Balance of TDAs Open at Beginning of Year	Balance of TDAs Open at End of Year	Subsequent Payments	Offsets	Penalty	Interest	Abated
2006	\$30,351,736,552	2,957,590	1	2,203,545	\$24,284,699,486	\$24,382,428,297	(\$3,781,436,023)	(\$1,205,226,894)	\$309,230,189	\$209,887,340	(\$4,028,543,955)
			2	1,780,405	\$22,047,122,624	\$21,134,976,827	(\$5,087,188,574)	(\$1,963,812,846)	\$709,216,745	\$407,185,852	(\$6,082,017,996)
			3	1,509,512	\$20,820,896,493	\$19,211,320,024	(\$5,869,908,534)	(\$2,487,104,515)	\$946,574,128	\$582,951,565	(\$6,954,956,357)
			4	1,328,595	\$19,861,906,645	\$17,796,978,467	(\$6,419,325,485)	(\$2,827,975,036)	\$1,094,243,027	\$732,786,143	(\$7,563,744,203)
			5	1,186,108	\$19,080,518,237	\$16,650,119,657	(\$6,894,884,536)	(\$3,116,809,435)	\$1,212,432,154	\$876,720,366	(\$8,037,931,474)
			6	1,069,254	\$18,450,044,275	\$15,650,453,262	(\$7,275,730,544)	(\$3,348,658,925)	\$1,284,228,928	\$1,003,755,551	(\$8,323,694,663)
			7	972,478	\$17,805,347,394	\$14,741,986,913	(\$7,609,546,792)	(\$3,522,136,383)	\$1,332,557,514	\$1,639,089,778	(\$8,634,838,759)
			8	884,575	\$17,271,468,616	\$13,932,332,131	(\$7,883,737,061)	(\$3,667,649,412)	\$1,364,801,580	\$3,675,241,137	(\$8,832,844,829)
			9	846,817	\$17,053,947,088	\$13,589,243,327	(\$8,056,543,080)	(\$3,741,238,520)	\$1,378,720,590	\$4,248,993,113	(\$8,941,304,377)
			10	846,817	\$17,053,947,088	\$13,589,243,327	(\$8,063,991,533)	(\$3,746,160,529)	\$1,379,211,905	\$4,258,974,459	(\$8,944,717,308)
2007	\$40,678,451,308	3,740,790	1	2,740,824	\$32,849,020,598	\$32,783,285,129	(\$3,664,816,262)	(\$1,704,605,008)	\$409,689,710	\$244,845,100	(\$6,153,964,029)
			2	2,263,145	\$29,935,148,423	\$28,948,279,752	(\$4,995,256,277)	(\$2,578,789,150)	\$928,407,071	\$442,246,287	(\$8,835,026,272)
			3	1,964,827	\$28,301,134,533	\$26,531,718,898	(\$5,902,253,282)	(\$3,123,531,076)	\$1,225,542,214	\$619,234,800	(\$10,248,579,985)
			4	1,740,283	\$26,943,462,391	\$24,561,583,882	(\$6,622,550,732)	(\$3,557,488,509)	\$1,439,733,283	\$784,185,932	(\$11,226,517,587)
			5	1,563,477	\$25,668,240,755	\$22,940,259,164	(\$7,222,864,085)	(\$3,909,144,483)	\$1,564,479,638	\$939,931,827	(\$11,990,004,660)
			6	1,423,312	\$24,806,106,219	\$21,617,558,053	(\$7,740,223,075)	(\$4,171,160,348)	\$1,658,992,874	\$1,578,574,745	(\$12,433,762,035)
			7	1,309,349	\$24,032,849,448	\$20,502,316,740	(\$8,157,636,602)	(\$4,376,959,658)	\$1,722,429,524	\$4,085,368,501	(\$12,878,254,066)
			8	1,266,294	\$23,740,426,822	\$20,017,141,706	(\$8,430,113,249)	(\$4,487,871,926)	\$1,753,835,888	\$4,860,034,842	(\$13,076,870,319)
			9	1,266,294	\$23,740,426,822	\$20,017,141,706	(\$8,437,945,803)	(\$4,493,500,687)	\$1,760,082,415	\$4,884,033,478	(\$13,086,103,480)
			10	1,266,294	\$23,740,426,822	\$20,017,141,706	(\$8,437,945,803)	(\$4,493,500,687)	\$1,760,082,415	\$4,884,033,478	(\$13,086,103,480)
2008	\$36,483,193,583	3,590,831	1	2,649,311	\$29,335,325,217	\$29,514,274,945	(\$3,413,545,809)	(\$1,878,405,331)	\$403,291,535	\$202,209,490	(\$4,823,470,102)
			2	2,208,374	\$26,773,821,008	\$26,230,469,576	(\$4,811,813,396)	(\$2,701,802,914)	\$890,503,910	\$370,626,083	(\$6,864,923,888)
			3	1,901,082	\$24,935,784,088	\$23,876,251,293	(\$5,816,581,381)	(\$3,295,841,646)	\$1,269,411,583	\$528,307,655	(\$8,035,065,577)
			4	1,670,837	\$23,366,011,300	\$21,993,850,951	(\$6,600,450,645)	(\$3,744,521,767)	\$1,495,474,859	\$681,365,525	(\$8,780,833,412)
			5	1,496,220	\$22,207,414,517	\$20,447,570,975	(\$7,255,716,053)	(\$4,064,995,130)	\$1,632,099,721	\$1,173,686,878	(\$9,281,979,287)
			6	1,359,759	\$21,073,271,206	\$18,980,116,872	(\$7,761,069,616)	(\$4,306,986,432)	\$1,720,257,087	\$2,873,881,178	(\$9,741,262,882)
			7	1,312,693	\$20,740,005,590	\$18,478,220,702	(\$8,046,513,063)	(\$4,411,125,862)	\$1,755,943,129	\$3,458,126,788	(\$9,937,104,100)
			8	1,312,693	\$20,740,005,590	\$18,478,220,702	(\$8,042,788,704)	(\$4,413,244,389)	\$1,756,334,243	\$3,461,084,068	(\$9,939,486,398)
			9	1,312,693	\$20,740,005,590	\$18,478,220,702	(\$8,042,788,704)	(\$4,413,244,389)	\$1,756,334,243	\$3,461,084,068	(\$9,939,486,398)
			10	1,312,693	\$20,740,005,590	\$18,478,220,702	(\$8,042,788,704)	(\$4,413,244,389)	\$1,756,334,243	\$3,461,084,068	(\$9,939,486,398)

Table A-1. TDA Modules, Balances Due, Dollars Collected by Subsequent Payments and Offsets, Assessed Penalties, Assessed Interest, and Abatements—Continued

Calendar Year	Balance at TDA Assignment	Count of Initial TDAs	Elapsed Years	TDAs Open at End of Year	Initial Balance of TDAs Open at Beginning of Year	Balance of TDAs Open at End of Year	Subsequent Payments	Offsets	Penalty	Interest	Abated
2009	\$41,987,700,518	3,625,853	1	2,855,031	\$34,910,079,884	\$35,332,522,291	(\$3,631,938,674)	(\$1,725,467,681)	\$534,920,665	\$153,433,427	(\$5,003,814,841)
			2	2,436,301	\$31,718,637,329	\$31,581,177,384	(\$5,307,444,529)	(\$2,621,430,430)	\$1,107,107,550	\$296,769,692	(\$7,490,662,803)
			3	2,132,368	\$29,367,116,987	\$28,767,291,989	(\$6,524,263,263)	(\$3,251,623,753)	\$1,561,792,804	\$447,222,002	(\$8,852,151,280)
			4	1,902,942	\$27,478,019,214	\$26,495,824,596	(\$7,469,086,900)	(\$3,698,507,804)	\$1,824,680,818	\$951,475,433	(\$9,784,258,243)
			5	1,727,894	\$26,092,408,873	\$24,608,525,544	(\$8,215,663,586)	(\$4,037,187,165)	\$1,996,145,246	\$2,667,410,510	(\$10,433,401,857)
			6	1,674,774	\$25,649,101,721	\$23,922,424,354	(\$8,595,196,469)	(\$4,171,691,809)	\$2,071,626,158	\$3,234,730,639	(\$10,715,471,960)
			7	1,674,774	\$25,649,101,721	\$23,922,424,354	(\$8,598,477,760)	(\$4,173,553,636)	\$2,071,942,891	\$3,236,409,717	(\$10,716,623,485)
			8	1,674,774	\$25,649,101,721	\$23,922,424,354	(\$8,598,477,760)	(\$4,173,553,636)	\$2,071,942,891	\$3,236,409,717	(\$10,716,623,485)
			9	1,674,774	\$25,649,101,721	\$23,922,424,354	(\$8,598,477,760)	(\$4,173,553,636)	\$2,071,942,891	\$3,236,409,717	(\$10,716,623,485)
			10	1,674,774	\$25,649,101,721	\$23,922,424,354	(\$8,598,477,760)	(\$4,173,553,636)	\$2,071,942,891	\$3,236,409,717	(\$10,716,623,485)
2010	\$45,704,392,188	4,150,283	1	3,104,902	\$36,225,946,333	\$36,770,145,599	(\$3,900,220,431)	(\$2,003,251,896)	\$577,836,901	\$145,097,158	(\$6,856,757,918)
			2	2,576,011	\$32,624,372,420	\$32,514,634,453	(\$5,661,580,107)	(\$2,941,601,479)	\$1,178,134,280	\$281,162,628	(\$9,488,141,786)
			3	2,231,853	\$29,863,854,205	\$29,468,592,163	(\$6,925,540,407)	(\$3,556,525,164)	\$1,676,116,937	\$652,063,333	(\$11,204,940,751)
			4	1,984,379	\$28,100,821,406	\$27,193,787,060	(\$7,871,884,638)	(\$4,003,121,592)	\$1,948,303,588	\$1,942,072,455	(\$12,079,326,237)
			5	1,907,417	\$27,527,977,964	\$26,369,110,984	(\$8,443,668,673)	(\$4,228,019,965)	\$2,071,093,184	\$2,535,673,602	(\$12,484,578,501)
			6	1,907,417	\$27,527,977,964	\$26,369,110,984	(\$8,460,865,513)	(\$4,240,011,358)	\$2,073,829,920	\$2,545,381,557	(\$12,492,491,633)
			7	1,907,417	\$27,527,977,964	\$26,369,110,984	(\$8,460,865,513)	(\$4,240,011,358)	\$2,073,829,920	\$2,545,381,557	(\$12,492,491,633)
			8	1,907,417	\$27,527,977,964	\$26,369,110,984	(\$8,460,865,513)	(\$4,240,011,358)	\$2,073,829,920	\$2,545,381,557	(\$12,492,491,633)
			9	1,907,417	\$27,527,977,964	\$26,369,110,984	(\$8,460,865,513)	(\$4,240,011,358)	\$2,073,829,920	\$2,545,381,557	(\$12,492,491,633)
			10	1,907,417	\$27,527,977,964	\$26,369,110,984	(\$8,460,865,513)	(\$4,240,011,358)	\$2,073,829,920	\$2,545,381,557	(\$12,492,491,633)
2011	\$42,926,217,917	4,024,360	1	3,020,150	\$34,032,316,693	\$34,795,749,849	(\$3,800,144,148)	(\$1,797,902,891)	\$516,330,747	\$126,728,719	(\$6,755,704,392)
			2	2,522,271	\$29,319,068,318	\$29,792,646,489	(\$5,548,247,612)	(\$2,676,941,031)	\$1,078,438,736	\$387,516,960	(\$10,289,591,480)
			3	2,196,229	\$27,055,074,385	\$27,132,375,863	(\$6,725,846,404)	(\$3,273,238,113)	\$1,511,675,025	\$1,265,063,880	(\$11,484,501,895)
			4	2,097,838	\$26,304,398,711	\$26,094,655,803	(\$7,414,305,809)	(\$3,569,753,914)	\$1,691,974,661	\$1,749,969,482	(\$11,981,924,704)
			5	2,097,838	\$26,304,398,711	\$26,094,655,803	(\$7,435,121,689)	(\$3,583,172,056)	\$1,697,342,413	\$1,760,693,864	(\$11,990,870,525)
			6	2,097,838	\$26,304,398,711	\$26,094,655,803	(\$7,435,121,689)	(\$3,583,172,056)	\$1,697,342,413	\$1,760,693,864	(\$11,990,870,525)
			7	2,097,838	\$26,304,398,711	\$26,094,655,803	(\$7,435,121,689)	(\$3,583,172,056)	\$1,697,342,413	\$1,760,693,864	(\$11,990,870,525)
			8	2,097,838	\$26,304,398,711	\$26,094,655,803	(\$7,435,121,689)	(\$3,583,172,056)	\$1,697,342,413	\$1,760,693,864	(\$11,990,870,525)
			9	2,097,838	\$26,304,398,711	\$26,094,655,803	(\$7,435,121,689)	(\$3,583,172,056)	\$1,697,342,413	\$1,760,693,864	(\$11,990,870,525)
			10	2,097,838	\$26,304,398,711	\$26,094,655,803	(\$7,435,121,689)	(\$3,583,172,056)	\$1,697,342,413	\$1,760,693,864	(\$11,990,870,525)

Table A-1. TDA Modules, Balances Due, Dollars Collected by Subsequent Payments and Offsets, Assessed Penalties, Assessed Interest, and Abatements—Continued

Calendar Year	Balance at TDA Assignment	Count of Initial TDAs	Elapsed Years	TDAs Open at End of Year	Initial Balance of TDAs Open at Beginning of Year	Balance of TDAs Open at End of Year	Subsequent Payments	Offsets	Penalty	Interest	Abated
2012	\$40,571,783.915	3,958,801	1	3,042,337	\$32,742,725.029	\$33,739,786.846	(\$3,603,072,713)	(\$1,763,779,947)	\$543,964,069	\$180,683,705	(\$5,183,970,519)
			2	2,560,958	\$28,855,402,233	\$29,385,315,074	(\$5,293,758,985)	(\$2,675,662,462)	\$1,075,108,307	\$758,149,918	(\$7,945,451,495)
			3	2,431,227	\$27,700,178,097	\$28,084,991,830	(\$6,264,144,364)	(\$3,108,350,689)	\$1,401,487,635	\$1,269,916,084	(\$8,842,682,967)
			4	2,431,227	\$27,700,178,097	\$28,084,991,830	(\$6,290,918,513)	(\$3,122,370,872)	\$1,405,404,179	\$1,276,993,550	(\$8,856,749,351)
			5	2,431,227	\$27,700,178,097	\$28,084,991,830	(\$6,290,918,513)	(\$3,122,370,872)	\$1,405,404,179	\$1,276,993,550	(\$8,856,749,351)
			6	2,431,227	\$27,700,178,097	\$28,084,991,830	(\$6,290,918,513)	(\$3,122,370,872)	\$1,405,404,179	\$1,276,993,550	(\$8,856,749,351)
			7	2,431,227	\$27,700,178,097	\$28,084,991,830	(\$6,290,918,513)	(\$3,122,370,872)	\$1,405,404,179	\$1,276,993,550	(\$8,856,749,351)
			8	2,431,227	\$27,700,178,097	\$28,084,991,830	(\$6,290,918,513)	(\$3,122,370,872)	\$1,405,404,179	\$1,276,993,550	(\$8,856,749,351)
			9	2,431,227	\$27,700,178,097	\$28,084,991,830	(\$6,290,918,513)	(\$3,122,370,872)	\$1,405,404,179	\$1,276,993,550	(\$8,856,749,351)
			10	2,431,227	\$27,700,178,097	\$28,084,991,830	(\$6,290,918,513)	(\$3,122,370,872)	\$1,405,404,179	\$1,276,993,550	(\$8,856,749,351)

TABLE A-2. TDA Modules, Balances Due, Dollars Collected by Subsequent Payments and Offsets, Assessed Penalties, Assessed Interest, and Abatements by Balance Due Ranges

Calendar Year	Description	\$1 to \$1,000	\$1,001 to \$2,000	\$2,001 to \$5,000	\$5,001 to \$10,000	\$10,001 to \$25,000	Greater Than \$25,000
2003	TDA Count	451,712	505,146	565,164	250,331	160,431	92,971
	Initial Balance Due	\$240,828,346	\$740,649,611	\$1,793,135,994	\$1,745,405,984	\$2,446,859,748	\$8,359,311,510
	Subsequent Payments	(\$159,645,920)	(\$359,532,161)	(\$886,819,407)	(\$845,113,111)	(\$1,054,887,316)	(\$2,395,248,066)
	Offset	(\$120,551,135)	(\$323,517,417)	(\$625,523,335)	(\$382,757,722)	(\$316,904,898)	(\$381,491,738)
	Penalty	\$33,446,962	\$78,987,494	\$172,236,063	\$141,164,346	\$168,647,485	\$391,593,894
	Interest	\$45,822,418	\$91,605,397	\$204,538,984	\$171,753,801	\$186,241,347	\$335,729,923
	Abated	(\$27,475,487)	(\$43,593,443)	(\$146,029,262)	(\$188,258,429)	(\$333,475,486)	(\$2,247,145,162)
2004	TDA Count	423,322	454,156	576,996	259,361	175,488	116,677
	Initial Balance Due	\$226,310,020	\$677,561,180	\$1,825,708,766	\$1,813,925,576	\$2,685,068,369	\$10,247,477,805
	Subsequent Payments	(\$175,904,106)	(\$375,205,472)	(\$982,626,633)	(\$934,209,391)	(\$1,225,047,057)	(\$2,768,005,039)
	Offset	(\$121,702,024)	(\$321,705,919)	(\$694,321,067)	(\$425,213,207)	(\$369,848,986)	(\$421,749,103)
	Penalty	\$31,504,743	\$75,081,251	\$176,833,442	\$144,534,463	\$180,793,631	\$439,227,860
	Interest	\$49,458,179	\$105,365,867	\$277,857,329	\$269,972,536	\$358,344,029	\$981,656,061
	Abated	(\$23,945,856)	(\$47,587,534)	(\$162,623,959)	(\$224,236,892)	(\$456,718,448)	(\$3,234,892,303)
2005	TDA Count	467,988	561,662	762,610	388,628	254,399	172,255
	Initial Balance Due	\$250,772,306	\$832,921,777	\$2,462,466,838	\$2,713,904,406	\$3,886,596,037	\$15,849,423,481
	Subsequent Payments	(\$197,408,638)	(\$453,485,724)	(\$1,226,197,456)	(\$1,188,786,059)	(\$1,422,684,108)	(\$2,825,696,234)
	Offset	(\$138,643,683)	(\$412,526,218)	(\$935,264,928)	(\$616,224,119)	(\$496,862,712)	(\$487,007,838)
	Penalty	\$35,438,062	\$86,715,864	\$216,494,334	\$189,194,145	\$232,769,822	\$536,468,890
	Interest	\$59,999,279	\$140,495,631	\$436,422,558	\$502,988,977	\$683,406,500	\$1,905,089,002
	Abated	(\$30,966,042)	(\$62,829,089)	(\$266,610,631)	(\$409,931,148)	(\$766,502,708)	(\$6,529,921,723)
2006	TDA Count	509,337	615,280	867,067	474,879	299,498	191,529
	Initial Balance Due	\$271,505,543	\$909,001,299	\$2,834,634,772	\$3,307,189,504	\$4,562,501,833	\$18,466,903,602
	Subsequent Payments	(\$252,565,017)	(\$472,447,644)	(\$1,296,013,518)	(\$1,308,078,558)	(\$1,546,630,399)	(\$3,188,256,398)
	Offset	(\$150,453,775)	(\$458,496,094)	(\$1,109,332,469)	(\$813,619,177)	(\$606,206,985)	(\$608,052,027)
	Penalty	\$36,272,026	\$87,550,652	\$235,367,768	\$217,417,225	\$250,427,660	\$552,176,574
	Interest	\$69,173,136	\$151,472,115	\$476,431,996	\$576,607,004	\$768,858,956	\$2,216,431,253
	Abated	(\$46,693,380)	(\$77,413,359)	(\$308,977,379)	(\$480,897,741)	(\$847,379,103)	(\$7,183,356,346)

TABLE A-2. TDA Modules, Balances Due, Dollars Collected by Subsequent Payments and Offsets, Assessed Penalties, Assessed Interest, and Abatements by Balance Due Ranges—Continued

Calendar Year	Description	\$1 to \$1,000	\$1,001 to \$2,000	\$2,001 to \$5,000	\$5,001 to \$10,000	\$10,001 to \$25,000	Greater Than \$25,000
2007	TDA Count	781,534	666,064	1,006,717	616,892	408,744	260,839
	Initial Balance Due	\$449,269,937	\$978,486,020	\$3,313,143,007	\$4,309,521,457	\$6,214,721,121	\$25,413,309,766
	Subsequent Payments	(\$271,255,779)	(\$440,895,663)	(\$1,317,912,732)	(\$1,436,890,739)	(\$1,656,381,839)	(\$3,314,609,051)
	Offset	(\$275,425,703)	(\$501,704,901)	(\$1,240,557,318)	(\$1,002,620,280)	(\$735,452,110)	(\$737,740,375)
	Penalty	\$52,681,418	\$88,781,235	\$249,790,312	\$252,451,642	\$304,732,788	\$811,645,020
	Interest	\$86,193,479	\$145,245,793	\$486,817,479	\$630,865,633	\$884,120,071	\$2,650,791,023
	Abated	(\$129,967,848)	(\$94,765,806)	(\$402,625,097)	(\$679,848,856)	(\$1,203,496,891)	(\$10,575,398,982)
2008	TDA Count	731,451	670,937	1,016,335	550,220	385,289	236,599
	Initial Balance Due	\$414,830,731	\$990,497,117	\$3,284,041,388	\$3,845,368,753	\$5,906,630,325	\$22,041,825,269
	Subsequent Payments	(\$233,650,205)	(\$403,601,852)	(\$1,205,681,275)	(\$1,232,376,624)	(\$1,579,199,205)	(\$3,388,279,541)
	Offset	(\$243,479,900)	(\$497,742,738)	(\$1,214,494,488)	(\$881,503,108)	(\$721,414,352)	(\$854,609,803)
	Penalty	\$48,985,319	\$87,949,930	\$244,002,549	\$246,084,994	\$317,910,922	\$811,400,529
	Interest	\$69,958,224	\$121,666,892	\$380,821,867	\$454,035,901	\$670,573,651	\$1,764,027,532
	Abated	(\$74,950,472)	(\$84,664,150)	(\$337,726,625)	(\$498,468,833)	(\$991,149,552)	(\$7,952,526,766)
2009	TDA Count	520,936	596,584	1,038,156	697,680	479,893	292,604
	Initial Balance Due	\$290,826,653	\$907,622,403	\$3,388,475,005	\$4,874,905,595	\$7,345,952,997	\$25,179,917,864
	Subsequent Payments	(\$168,308,125)	(\$365,851,165)	(\$1,169,531,683)	(\$1,324,853,213)	(\$1,714,583,628)	(\$3,855,349,945)
	Offset	(\$133,042,345)	(\$362,615,410)	(\$1,039,704,190)	(\$936,893,572)	(\$753,063,838)	(\$948,234,281)
	Penalty	\$35,240,420	\$77,982,626	\$246,319,981	\$277,035,867	\$375,311,428	\$1,060,052,569
	Interest	\$43,615,381	\$87,002,543	\$304,084,837	\$412,359,663	\$623,590,625	\$1,765,756,667
	Abated	(\$58,131,912)	(\$79,760,319)	(\$365,636,375)	(\$663,016,312)	(\$1,322,675,570)	(\$8,227,402,996)
2010	TDA Count	840,148	808,468	1,121,844	647,137	453,016	279,670
	Initial Balance Due	\$490,472,989	\$1,199,142,789	\$3,618,771,867	\$4,555,543,493	\$6,918,572,956	\$28,921,888,093
	Subsequent Payments	(\$254,834,586)	(\$456,192,529)	(\$1,168,128,274)	(\$1,194,754,484)	(\$1,618,245,117)	(\$3,768,710,523)
	Offset	(\$240,509,528)	(\$508,265,653)	(\$1,143,358,182)	(\$810,941,332)	(\$678,453,146)	(\$858,483,517)
	Penalty	\$56,440,339	\$101,938,493	\$258,977,602	\$252,636,859	\$349,515,692	\$1,054,320,934
	Interest	\$47,796,130	\$86,595,116	\$244,066,722	\$302,628,434	\$445,969,685	\$1,418,325,469
	Abated	(\$51,894,751)	(\$87,114,213)	(\$305,230,442)	(\$536,651,544)	(\$1,096,370,320)	(\$10,415,230,363)

TABLE A-2. TDA Modules, Balances Due, Dollars Collected by Subsequent Payments and Offsets, Assessed Penalties, Assessed Interest, and Abatements by Balance Due Ranges—Continued

Calendar Year	Description	\$1 to \$1,000	\$1,001 to \$2,000	\$2,001 to \$5,000	\$5,001 to \$10,000	\$10,001 to \$25,000	Greater Than \$25,000
2011	TDA Count	825,154	754,679	1,136,688	639,600	422,102	246,137
	Initial Balance Due	\$480,421,472	\$1,117,857,159	\$3,718,666,067	\$4,484,256,769	\$6,436,680,632	\$26,688,335,819
	Subsequent Payments	(\$218,477,840)	(\$383,128,439)	(\$1,047,791,886)	(\$1,060,125,297)	(\$1,423,029,355)	(\$3,302,568,871)
	Offset	(\$224,505,778)	(\$430,557,063)	(\$1,011,715,750)	(\$706,990,836)	(\$567,489,241)	(\$641,913,390)
	Penalty	\$46,648,243	\$81,026,407	\$226,937,654	\$209,268,186	\$285,370,582	\$848,091,340
	Interest	\$36,845,747	\$62,819,645	\$182,749,854	\$215,524,482	\$308,187,021	\$954,567,115
	Abated	(\$78,541,023)	(\$83,847,322)	(\$322,574,937)	(\$595,578,698)	(\$922,707,731)	(\$9,987,620,814)
2012	TDA Count	797,290	747,214	1,171,478	612,676	396,654	233,489
	Initial Balance Due	\$461,112,482	\$1,110,719,485	\$3,825,438,842	\$4,282,481,148	\$5,990,784,717	\$24,901,247,241
	Subsequent Payments	(\$177,373,252)	(\$303,891,260)	(\$820,145,806)	(\$813,093,192)	(\$1,122,292,940)	(\$3,054,122,063)
	Offset	(\$179,411,721)	(\$380,643,270)	(\$941,082,680)	(\$607,840,547)	(\$465,246,196)	(\$548,146,459)
	Penalty	\$39,838,543	\$63,657,332	\$175,282,006	\$165,586,345	\$227,507,301	\$733,532,652
	Interest	\$25,497,597	\$42,359,620	\$121,513,641	\$136,305,066	\$198,745,472	\$752,572,154
	Abated	(\$57,897,841)	(\$69,743,692)	(\$281,809,666)	(\$399,235,354)	(\$749,409,440)	(\$7,298,653,359)

TABLE A-3. TDA Modules, Balances Due, Dollars Collected by Subsequent Payments and Offsets, Assessed Penalties, Assessed Interest, and Abatements by Source of Assessment

Calendar Year	Description	Self-Reported Assessments	Substitute for Return	Audit Assessments	AUR Assessments	Trust Fund Recovery Penalties
2003	TDA Count	76,305	127,153	248,863	1,115,474	110,324
	Initial Balance Due	\$2,755,702,547	\$1,641,819,169	\$955,455,897	\$5,935,437,250	\$1,636,660,799
	Subsequent Payments	(\$397,863,606)	(\$381,301,366)	(\$317,247,600)	(\$3,352,551,156)	(\$267,458,821)
	Offset	(\$109,821,313)	(\$198,452,772)	(\$323,382,148)	(\$1,076,177,894)	(\$103,027,521)
	Penalty	\$57,352,147	\$104,629,310	\$87,347,519	\$594,619,903	\$34,505
	Interest	\$66,142,201	\$72,386,963	\$65,165,077	\$542,889,882	\$115,653,487
	Abated	(\$1,347,079,999)	(\$245,313,974)	(\$145,199,035)	(\$362,429,282)	(\$638,341,982)
	TDA Count	148,322	130,994	256,753	1,028,470	114,071
2004	Initial Balance Due	\$5,064,578,631	\$1,790,767,383	\$1,096,964,103	\$5,585,456,769	\$1,767,559,350
	Subsequent Payments	(\$784,223,463)	(\$474,730,184)	(\$366,381,883)	(\$3,505,764,852)	(\$289,675,909)
	Offset	(\$229,042,168)	(\$220,626,090)	(\$395,625,962)	(\$1,055,677,394)	(\$106,505,103)
	Penalty	\$126,340,535	\$120,222,356	\$95,416,239	\$556,173,822	\$29,803
	Interest	\$453,442,683	\$182,694,977	\$108,691,313	\$728,528,130	\$296,995,659
	Abated	(\$2,340,659,814)	(\$231,996,225)	(\$232,552,410)	(\$380,021,768)	(\$767,861,296)
	TDA Count	512,705	224,899	301,903	1,104,554	101,588
	Initial Balance Due	\$13,362,507,090	\$2,034,842,462	\$1,347,565,321	\$5,544,297,832	\$1,500,995,601
2005	Subsequent Payments	(\$1,719,278,819)	(\$563,315,839)	(\$423,463,099)	(\$3,328,886,959)	(\$248,869,759)
	Offset	(\$682,672,073)	(\$398,246,119)	(\$431,513,171)	(\$1,096,714,008)	(\$94,913,229)
	Penalty	\$372,356,726	\$150,049,224	\$102,910,162	\$534,072,724	\$45,906
	Interest	\$1,754,673,244	\$272,574,120	\$140,684,401	\$901,732,852	\$294,428,237
	Abated	(\$6,251,321,458)	(\$240,489,498)	(\$384,254,445)	(\$338,857,989)	(\$604,296,121)

TABLE A-3. TDA Modules, Balances Due, Dollars Collected by Subsequent Payments and Offsets, Assessed Penalties, Assessed Interest, and Abatements by Source of Assessment—Continued

Calendar Year	Description	Self-Reported Assessments	Substitute for Return	Audit Assessments	AUR Assessments	Trust Fund Recovery Penalties
2006	TDA Count	588,943	273,576	374,373	1,214,361	102,374
	Initial Balance Due	\$15,272,022,052.9	\$2,699,929,404.0	\$1,546,702,949.2	\$6,662,831,209.9	\$1,555,671,271.1
	Subsequent Payments	(\$1,657,436,219.2)	(\$708,090,013.6)	(\$483,120,497.2)	(\$3,904,703,877.4)	(\$220,079,883.5)
	Offset	(\$798,615,902.5)	(\$568,757,077.8)	(\$559,941,489.1)	(\$1,279,736,554.8)	(\$96,242,450.3)
	Penalty	\$313,100,522.7	\$185,710,811.0	\$110,596,640.4	\$616,339,300.9	\$35,150.0
	Interest	\$2,000,147,374.8	\$396,544,510.4	\$161,928,187.0	\$1,022,051,805.4	\$282,864,102.1
	Abated	(\$6,571,418,753.8)	(\$368,654,726.7)	(\$396,185,415.2)	(\$576,039,465.8)	(\$641,631,939.2)
2007	TDA Count	1,043,966	328,809	491,988	1,330,059	104,034
	Initial Balance Due	\$24,497,035,199.50	\$2,852,164,654.01	\$1,874,553,318.62	\$7,150,372,177.98	\$1,471,575,406.52
	Subsequent Payments	(\$2,406,444,052.86)	(\$674,618,290.74)	(\$476,662,500.63)	(\$3,656,970,935.55)	(\$173,447,577.30)
	Offset	(\$1,135,157,789.35)	(\$718,330,580.74)	(\$679,509,112.51)	(\$1,396,911,300.99)	(\$92,287,027.64)
	Penalty	\$559,551,263.81	\$219,753,090.56	\$127,434,963.11	\$679,524,580.41	\$36,854.73
	Interest	\$2,693,063,064.29	\$396,338,868.59	\$163,748,874.45	\$1,008,328,975.43	\$226,404,885.33
	Abated	(\$10,482,352,227.22)	(\$397,787,490.46)	(\$532,432,329.44)	(\$826,537,704.52)	(\$509,468,588.88)
2008	TDA Count	739,496	311,267	544,576	1,408,584	126,674
	Initial Balance Due	\$17,215,158,029	\$3,275,957,777	\$2,464,789,305	\$8,573,658,078	\$1,692,197,368
	Subsequent Payments	(\$1,549,671,652)	(\$746,128,193)	(\$554,527,916)	(\$3,927,091,666)	(\$171,233,155)
	Offset	(\$730,838,818)	(\$665,223,976)	(\$827,850,704)	(\$1,589,699,028)	(\$103,947,144)
	Penalty	\$337,635,916	\$238,267,045	\$159,606,831	\$821,717,247	\$35,763
	Interest	\$1,439,847,831	\$332,816,518	\$163,867,639	\$955,104,268	\$203,199,971
	Abated	(\$6,728,095,595)	(\$525,851,177)	(\$747,290,401)	(\$994,646,932)	(\$524,877,644)

TABLE A-3. TDA Modules, Balances Due, Dollars Collected by Subsequent Payments and Offsets, Assessed Penalties, Assessed Interest, and Abatements by Source of Assessment—Continued

Calendar Year	Description	Self-Reported Assessments	Substitute for Return	Audit Assessments	AUR Assessments	Trust Fund Recovery Penalties
2009	TDA Count	1,059,119	328,596	421,222	1,258,574	133,484
	Initial Balance Due	\$21,519,252,921	\$3,510,915,440	\$2,190,381,922	\$9,287,978,110	\$1,791,857,278
	Subsequent Payments	(\$1,937,916,493)	(\$734,096,173)	(\$527,178,242)	(\$4,164,607,080)	(\$166,332,122)
	Offset	(\$891,601,842)	(\$695,800,264)	(\$614,982,034)	(\$1,417,235,663)	(\$107,247,687)
	Penalty	\$573,265,383	\$267,037,832	\$135,425,080	\$878,486,072	\$33,808
	Interest	\$1,515,924,103	\$301,249,911	\$118,011,988	\$803,810,795	\$172,133,849
	Abated	(\$7,729,519,040)	(\$449,702,771)	(\$599,496,724)	(\$822,895,861)	(\$496,312,590)
2010	TDA Count	786,668	341,242	696,468	1,615,298	165,008
	Initial Balance Due	\$21,846,637,985	\$3,745,192,392	\$3,213,707,429	\$10,254,615,336	\$2,202,121,920
	Subsequent Payments	(\$1,264,503,773)	(\$663,033,824)	(\$672,146,619)	(\$4,465,936,541)	(\$191,300,255)
	Offset	(\$577,674,767)	(\$599,513,270)	(\$879,157,918)	(\$1,546,383,735)	(\$123,339,260)
	Penalty	\$450,454,430	\$295,161,887	\$191,439,933	\$896,627,625	\$39,977
	Interest	\$1,041,306,173	\$234,136,935	\$130,949,018	\$694,263,873	\$150,003,036
	Abated	(\$8,523,041,119)	(\$762,864,033)	(\$896,730,683)	(\$1,006,484,824)	(\$684,970,705)
2011	TDA Count	769,554	320,692	703,735	1,473,234	206,428
	Initial Balance Due	\$19,860,173,613	\$3,860,505,398	\$2,467,419,131	\$9,734,400,489	\$2,510,939,801
	Subsequent Payments	(\$1,301,107,710)	(\$560,341,761)	(\$518,971,847)	(\$3,893,835,651)	(\$194,376,899)
	Offset	(\$532,457,391)	(\$545,391,380)	(\$766,601,880)	(\$1,198,087,537)	(\$124,133,401)
	Penalty	\$403,543,321	\$214,594,684	\$138,486,517	\$734,750,156	\$38,980
	Interest	\$659,627,735	\$159,112,330	\$89,564,038	\$509,380,819	\$127,747,972
	Abated	(\$7,927,276,034)	(\$740,644,539)	(\$435,026,997)	(\$1,534,273,270)	(\$731,930,494)

Table A-3. TDA Modules, Balances Due, Dollars Collected by Subsequent Payments and Offsets, Assessed Penalties, Assessed Interest, and Abatements by Source of Assessment—Continued

Calendar Year	Description	Self-Reported Assessments	Substitute for Return	Audit Assessments	AUR Assessments	Trust Fund Recovery Penalties
2012	TDA Count	530,422	346,807	667,103	1,601,048	217,242
	Initial Bal. Due	\$15,981,125,775	\$4,232,164,705	\$2,991,886,015	\$10,224,391,491	\$2,483,987,382
	Sub. Payment	(\$799,485,420)	(\$563,383,176)	(\$443,036,348)	(\$3,554,387,916)	(\$166,863,415)
	Offset	(\$344,985,849)	(\$507,554,114)	(\$752,560,887)	(\$1,052,606,719)	(\$105,149,706)
	Penalty	\$286,208,504	\$212,280,910	\$126,427,212	\$623,128,493	\$39,077
	Interest	\$417,592,869	\$147,703,005	\$66,177,617	\$405,922,275	\$85,004,578
	Abated	(\$5,860,055,257)	(\$341,658,757)	(\$681,903,277)	(\$635,580,165)	(\$679,545,902)

TABLE A-4. Initial TDA Balance, Subsequent Payments, Offsets, and Abatements by Collection Channel*

ACS				
Calendar Year	Initial Balance Due	Subsequent Payments	Offsets	Abated
2003	\$7,792,592,325	(\$3,426,144,186)	(\$1,700,612,873)	(\$1,101,444,823)
2004	\$8,055,134,988	(\$3,751,122,687)	(\$1,821,135,021)	(\$1,374,908,979)
2005	\$10,998,087,606	(\$4,449,976,986)	(\$2,306,307,552)	(\$2,323,868,875)
2006	\$11,745,756,134	(\$4,958,995,889)	(\$2,669,338,955)	(\$2,231,454,323)
2007	\$13,328,119,659	(\$5,152,715,921)	(\$3,313,012,446)	(\$2,498,865,753)
2008	\$13,076,613,620	(\$4,952,000,018)	(\$3,342,342,605)	(\$2,005,516,405)
2009	\$20,164,274,356	(\$6,033,827,223)	(\$3,225,236,763)	(\$4,106,056,899)
2010	\$23,890,067,756	(\$6,504,108,404)	(\$3,601,310,254)	(\$4,345,387,578)
2011	\$20,559,657,101	(\$5,362,106,864)	(\$3,035,428,058)	(\$3,362,113,103)
2012	\$15,766,253,590	(\$3,680,718,002)	(\$2,554,868,769)	(\$1,949,706,639)
Queue				
Calendar Year	Initial Balance Due	Subsequent Payments	Offsets	Abated
2003	\$4,456,531,893	(\$1,302,443,755)	(\$274,152,689)	(\$1,025,099,018)
2004	\$5,251,622,031	(\$1,413,913,762)	(\$303,798,101)	(\$1,356,746,265)
2005	\$7,259,341,395	(\$1,236,407,732)	(\$339,609,532)	(\$2,698,940,436)
2006	\$10,364,534,372	(\$1,705,896,251)	(\$569,806,186)	(\$3,872,105,194)
2007	\$13,356,607,079	(\$1,474,213,610)	(\$514,373,032)	(\$4,802,778,031)
2008	\$11,887,839,882	(\$1,544,260,843)	(\$558,938,774)	(\$3,713,488,466)
2009	\$9,028,536,600	(\$853,994,321)	(\$364,974,713)	(\$2,467,988,439)
2010	\$14,770,625,847	(\$1,165,220,750)	(\$443,402,944)	(\$5,340,619,441)
2011	\$15,017,679,946	(\$1,167,520,082)	(\$382,384,896)	(\$5,536,502,040)
2012	\$16,502,893,644	(\$1,501,522,558)	(\$413,388,933)	(\$4,112,045,801)
Cff				
Calendar Year	Initial Balance Due	Subsequent Payments	Offsets	Abated
2003	\$3,077,066,975	(\$972,658,039)	(\$175,980,683)	(\$859,433,429)
2004	\$4,169,294,696	(\$1,295,961,250)	(\$229,607,183)	(\$1,418,349,748)
2005	\$7,738,655,844	(\$1,627,873,501)	(\$440,612,413)	(\$3,043,952,030)
2006	\$8,241,446,047	(\$1,399,099,392)	(\$507,015,387)	(\$2,841,157,792)
2007	\$13,993,724,570	(\$1,811,016,272)	(\$666,115,209)	(\$5,784,459,696)
2008	\$11,518,740,081	(\$1,546,527,842)	(\$511,963,009)	(\$4,220,481,526)
2009	\$12,794,889,563	(\$1,710,656,216)	(\$583,342,161)	(\$4,142,578,147)
2010	\$7,043,698,585	(\$791,536,359)	(\$195,298,160)	(\$2,806,484,614)
2011	\$7,348,880,870	(\$905,494,742)	(\$165,359,102)	(\$3,092,255,382)
2012	\$8,302,636,681	(\$1,108,677,954)	(\$154,113,170)	(\$2,794,996,912)

*NOTE: The IRS is required by law to write off any remaining balance due at the expiration of the collection statute of limitations period (generally 10 years from the date of liability assessment, but this period may be extended for several reasons, including bankruptcy).

TABLE A-5. Initial TDA Balance, Subsequent Payments, Offsets, and Abatements by Collection Channel After Six Years*

ACS				
Calendar Year	Initial Balance Due	Subsequent Payments	Offsets	Abated
2003	\$7,792,592,325	(\$3,073,090,254)	(\$1,462,600,955)	(\$1,027,367,242)
2004	\$8,055,134,988	(\$3,401,366,362)	(\$1,591,054,713)	(\$1,298,468,755)
2005	\$10,998,087,606	(\$4,033,340,814)	(\$2,034,143,955)	(\$2,201,007,908)
2006	\$11,745,756,134	(\$4,582,308,923)	(\$2,433,892,394)	(\$2,123,881,197)
2007	\$13,328,119,659	(\$4,848,687,675)	(\$3,125,283,670)	(\$2,413,837,112)
2008	\$13,076,613,620	(\$4,814,247,019)	(\$3,277,483,164)	(\$1,979,716,054)
2009	\$20,164,274,356	(\$6,032,295,430)	(\$3,223,772,255)	(\$4,105,339,235)
2010	\$23,890,067,756	(\$6,504,108,404)	(\$3,601,310,254)	(\$4,345,387,578)
2011	\$20,559,657,101	(\$5,362,106,864)	(\$3,035,428,058)	(\$3,362,113,103)
2012	\$15,766,253,590	(\$3,680,718,002)	(\$2,554,868,769)	(\$1,949,706,639)
Queue				
Calendar Year	Initial Balance Due	Subsequent Payments	Offsets	Abated
2003	\$4,456,531,893	(\$1,133,286,932)	(\$221,764,929)	(\$947,606,322)
2004	\$5,251,622,031	(\$1,227,076,427)	(\$246,025,904)	(\$1,261,716,412)
2005	\$7,259,341,395	(\$1,030,055,031)	(\$271,314,994)	(\$2,534,957,190)
2006	\$10,364,534,372	(\$1,505,558,020)	(\$492,056,484)	(\$3,568,299,367)
2007	\$13,356,607,079	(\$1,291,060,172)	(\$456,578,391)	(\$4,566,614,755)
2008	\$11,887,839,882	(\$1,472,606,814)	(\$537,914,978)	(\$3,625,718,411)
2009	\$9,028,536,600	(\$853,546,234)	(\$364,865,502)	(\$2,467,952,050)
2010	\$14,770,625,847	(\$1,165,220,750)	(\$443,402,944)	(\$5,340,619,441)
2011	\$15,017,679,946	(\$1,167,520,082)	(\$382,384,896)	(\$5,536,502,040)
2012	\$16,502,893,644	(\$1,501,522,558)	(\$413,388,933)	(\$4,112,045,801)
Cff				
Calendar Year	Initial Balance Due	Subsequent Payments	Offsets	Abated
2003	\$3,077,066,975	(\$867,563,109)	(\$144,855,544)	(\$803,396,569)
2004	\$4,169,294,696	(\$1,143,776,243)	(\$185,705,568)	(\$1,302,087,094)
2005	\$7,738,655,844	(\$1,375,997,735)	(\$347,979,258)	(\$2,849,242,920)
2006	\$8,241,446,047	(\$1,187,863,602)	(\$422,710,047)	(\$2,631,514,099)
2007	\$13,993,724,570	(\$1,600,475,227)	(\$589,298,287)	(\$5,453,310,168)
2008	\$11,518,740,081	(\$1,474,215,783)	(\$491,588,290)	(\$4,135,828,417)
2009	\$12,794,889,563	(\$1,709,354,805)	(\$583,054,052)	(\$4,142,180,675)
2010	\$7,043,698,585	(\$791,536,359)	(\$195,298,160)	(\$2,806,484,614)
2011	\$7,348,880,870	(\$905,494,742)	(\$165,359,102)	(\$3,092,255,382)
2012	\$8,302,636,681	(\$1,108,677,954)	(\$154,113,170)	(\$2,794,996,912)

*NOTE: The IRS is required by law to write off any remaining balance due at the expiration of the collection statute of limitations period (generally 10 years from the date of liability assessment, but this period may be extended for several reasons, including bankruptcy).