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The 1979 Individual Tax Model files
are available on a reimbursable basis
from Statistics Division PRS, Internal
Revenue Service, Washington, DC
20224.











1979

**Statistics
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Individual Income Tax Returns

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Section

-  **1 Returns Filed and Sources of Income**
-  **2 Deductions and Exemptions**
-  **3 Tax Computation and Tax Rates**
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-  **8 High Income Returns**
-  **9 Forms and Instructions**
-  • **User Survey (Form 6839)**

1979

Individual Income Tax Returns

Publication 79 (3-82)

**Department of the Treasury
Internal Revenue Service**

Roscoe L. Egger, Jr.
Commissioner

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(Planning and Research)

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This report contains data on sources of income, adjusted gross income, exemptions, deductions, taxable income, income tax, tax credits, self-employment tax, tax withheld, and taxpayments. Also shown are foreign and domestic dividends, capital gains and losses, and selected income and tax items for States.

Classifications are by tax status, size of adjusted gross income, marital status, and form of deduction. For the first time information previously published in "High Income Tax Returns," a report by the Department of the Treasury, Office of Tax Analysis, is contained in Section 8 of this report.

Additional unpublished information from individual income tax returns, classified by States and by size of adjusted gross income, is available on a reimbursable basis from the Internal Revenue Service, Statistics Division. Two public-use computer tape files of the records selected for the Statistics of Income sample are also available on a reimbursable basis from the Statistics Division: the Individual Tax Model File, which is suitable for making national level estimates, and the State Tax Model File, which is suitable for making State level estimates.

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COMMISSIONER OF INTERNAL REVENUE

Washington, DC 20224

March 9, 1982

The Honorable Donald T. Regan
Secretary of the Treasury
Washington, DC 20220

Dear Mr. Secretary:


I am transmitting the complete report, Statistics of Income—1979, Individual Income Tax Returns. This report has been produced in accordance with the mandate of section 6108 of the Internal Revenue Code which requires the preparation and publication of statistics reasonably available with respect to the operation of the internal revenue laws.

The report, based on a sample drawn from the 92.7 million returns filed during Calendar Year 1980, presents information on taxpayers' income, exemptions, deductions, credits and tax. The statistics reflect the increase in the exemption amount and the decrease in tax rates, as well as other provisions effective for Tax Year 1979 under the Revenue Act of 1978.

Classifications used include size of adjusted gross income, marital status, marginal tax rate, and State of residence. Separate statistics are provided on returns with itemized deductions, returns with age exemptions and for the first time an entire section is devoted to high income returns both taxable and nontaxable.

With kind regards,

Sincerely,



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The statistics presented in this report are estimates based on a stratified probability sample of individual income tax returns, selected before audit, and represent coverage of the 92.7 million Forms 1040 and 1040A filed by the Nation's taxpayers for Income Year 1979. The number of returns filed for 1979 represents an increase of approximately 3.3 percent over those filed for 1978.

The Internal Revenue Code of 1954, as amended, provided the legal basis for tax activity detailed in this report. Criteria specified by the Internal Revenue Code covering the filing of a tax return and, therefore, determining the basic coverage of the information in this report are outlined under "Requirements for Filing." Revisions to the Code which affected the comparability of some of the data in this report with data presented for previous years are described under "Changes in Law."

Organizationally, this report is divided into 9 sections. The first section presents data on the number of returns filed and the sources of income reported on those returns, classified by marital status and by size of adjusted gross income. The

itemized deductions and types of exemptions claimed on the 1979 tax returns are covered in section 2. Section 3 provides detailed data on the 1979 tax liability as well as on any tax credits and taxpayments applied to that tax liability. Data from returns filed by taxpayers age 65 or over are presented in section 4. Section 5 covers tax return data classified by State.

Each of the first five sections contains some explanatory text related to the material presented in the section. Terms used in this report are actually defined, however, in section 6. Section 7 contains a description of the sample of tax returns used for the estimates in this report, as well as a discussion of the method of estimation employed and the sampling variability of the data. Section 8 presents data formerly published in the report High Income Tax Returns, prepared by the Treasury Department, Office of Tax Analysis. Special definitions apply to the terms used in this section, and are given in the accompanying text. Facsimiles of the tax return forms (and their instructions) from which the data were gathered for 1979 are reproduced in section 9.

*This report was prepared in the Statistics Division by the Individual Income Statistics Section, under the direction of Ray Plowden, Chief. Peter Sailer was responsible for coordinating the major steps in its production, including table specifications, computerized consistency testing, and text writing. June Walters and Rich Hillelson coordinated the review and statistical analysis. Ruth Wise was responsible for copy design and preparation.

Requirements for Filing

Changes in Law

The principal criterion which determined whether an individual had to file a return was the size of gross income (all income received in the form of money, property, and services, that was not, by law, expressly exempt from tax), specified according to the individual's marital status. For 1979, a return had to be filed by:

(1) a single person (other than a surviving spouse) under age 65 with gross income of at least \$3,300 (as compared to a \$2,950 filing requirement for 1978);

(2) a single person (other than a surviving spouse) age 65 or over with gross income of at least \$4,300 (\$3,700 for 1978);

(3) a surviving spouse under age 65 with gross income of at least \$4,400 (\$3,950 for 1978);

(4) a surviving spouse age 65 or over with gross income of at least \$5,400 (\$4,700 for 1978);

(5) a married couple, filing a joint return, with both spouses under age 65 and with a combined gross income of at least \$5,400 (\$4,700 for 1978);

(6) a married couple, filing a joint return, with one spouse age 65 or over and with a combined gross income of at least \$6,400 (\$5,450 for 1978);

(7) a married couple, filing a joint return, with both spouses age 65 or over and with a combined gross income of at least \$7,400 (\$6,200 for 1978);

(8) a married person, regardless of age, whose spouse was filing a separate return, if that married person had a gross income of \$1,000 or more (\$750 for 1978).

In addition, any individual claimed as a dependent on another person's return had to file if he or she had "unearned income" (such as dividends, interest, or capital gains) of \$1,000 or more (\$750 or more for 1978). Self-employed persons also had to file if they had "self-employment income" of \$400 or more in order to pay self-employment tax.

Coverage of returns below these income levels was generally limited to persons filing for a refund of income tax withheld or of the earned income credit.

Most taxpayers had to file tax returns within 3-1/2 months after the close of their accounting periods. Since the accounting period used by nearly all individuals for Tax Year 1979 was the calendar year, this meant that returns were due by April 15, 1980. However, each taxpayer could be granted, upon request, one automatic 2-month extension of time to file if he or she paid any estimated tax due by the original due date, by which time the request for an extension had to be made. In addition, U.S. citizens residing or traveling outside the United States and Puerto Rico were automatically granted (without requesting) the 2-month extension.

The Revenue Act of 1978 contained several major revisions to the Internal Revenue Code which became effective for Tax Year 1979. In addition, certain provisions of the Foreign Earned Income Act of 1978 did not become fully effective until 1979. The following list of major tax law changes contains references to the sections of this report where more detailed information and related statistics may be found.

(1) The "zero bracket amount," as well as most other tax brackets, were widened for 1979, thus leading to lower effective tax rates for any given amount of taxable income than were in effect for 1978 (see section 3).

(2) Partially offsetting this decrease in effective tax rates, the general tax credit was allowed to expire.

(3) The exemption amount increased from \$750 to \$1,000 per exemption (see section 2).

(4) Filing requirements were adjusted to reflect the increased exemption and zero bracket amounts (see "Requirements for Filing," above).

(5) Itemized deductions for State and local gasoline taxes and for political contributions were abolished; on the other hand, the maximum political contributions credit rose from \$25 to \$50 per taxpayer.

(6) The alternative tax computation for taxpayers with long-term capital gains and marginal tax rates above 50 percent was abolished; on the other hand, the 60 percent exclusion of long-term capital gains, introduced for sales of capital assets after October 31, 1978, became effective for the full tax year on returns filed for 1979 (see section 3).

(7) Unemployment benefits under State and Federal programs were reportable (and to a certain extent taxable) on individual income tax returns for the first time for Tax Year 1979 (see Section 1).

(8) The earned income credit, available to low-income earners with dependent children, was expanded to cover taxpayers with income under \$10,000, with a maximum credit of \$500 (see section 3). For 1978, the maximum income level was \$8,000, the maximum credit \$400.

(9) The computation of the additional tax for tax preferences was divided into two parts; itemized deductions and capital gains tax preferences were subjected to a new graduated, "alternative minimum tax;" all remaining tax preferences were subject to the regular 15 percent "minimum tax" (see section 3).

(10) Under the Foreign Earned Income Act of 1978, the \$15,000 exemption of foreign earned income was abolished for Tax Year 1979; in its place, U.S. taxpayers with foreign earned income could still claim deductions for excess expenses of living abroad, or an exclusion (up to \$20,000) for living in a hardship area (see section 1).

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Introduction

The information presented in this section covers primarily the number of returns filed for Income Year 1979 and the sources of income, including the statutory adjustments to gross income, reported on these returns. The major classifications of these returns are size of adjusted gross income, marital status, sex of taxpayer and taxability or nontaxability of the return.

Characteristics, such as sources of income and selected tax items, of the returns filed for 1979 compared to 1978 are summarized in table 1A. As can be seen from that table, the number of returns filed increased by almost 3 million, from 89.8 million for 1978 to 92.7 million for 1979; correspondingly, adjusted gross income increased from \$1.3 trillion to over \$1.4 trillion. Table 1B illustrates the effect of these changes by size of adjusted gross income. From 1978 to 1979, returns showing income of less than \$5,000 declined by more than 1.3 million, from 22.2 to 20.9 million, while those showing income of \$20,000 or more increased from 22.3 to 26.3 million. This trend is even more dramatic when viewed over a 10-year period, as can be seen in table 1C. The number of returns with incomes over \$20,000 rose by 675 percent from 1969 to 1979. On the other hand, for 1969, 31.4 million returns showed adjusted gross income of less than \$5,000; by 1979, there were only 20.9 million returns in this class. This decrease is attributable not only to changing economic conditions but also to changes in filing requirements, which made it unnecessary for many persons in this income class to file returns. Table 1C also shows that, in recent years, over three-quarters of the taxpayers in the under \$5,000 income class were nontaxable, with most of these individuals filing for the purpose of obtaining a refund of income tax withheld or the earned income credit.

Cumulated data for the number of returns filed, the amount of adjusted gross income, and the amount of total income tax, classified by size of adjusted gross income are shown in table 1.1. Table 1.2 presents information classified by marital status and sex of taxpayer. Data for sources of income and adjustments, classified by size of adjusted gross income, are presented in table 1.3. Special topics for which data are presented are: nontaxable returns, table 1.4; responses to the presidential election campaign fund question, table 1.5; and Form 1040A returns classified by size of adjusted gross income in table 1.6.

The following text contains background information on some of these items, with special emphasis on new items for Tax Year 1979. Detailed explanations of each of the items tabulated is found in Section 6 of this report, "Explanation of Terms."

*Richard Thompson was responsible for the review and analysis of the data in this section. He was assisted by Antoinette Lyles.

Table 1A.--Sources of Income and Selected Tax Items, 1978 and 1979

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

Item	1978	1979	Change, 1978 to 1979
	(1)	(2)	(3)
Number of returns, total.....	89,771,551	92,694,302	2,922,751
Taxable.....	68,688,305	71,694,983	3,006,678
Nontaxable.....	21,083,246	20,999,319	-83,927
Adjusted gross income less deficit.....	1,302,447,386	1,465,394,530	162,947,144
Sources of income:			
Salaries and wages.....	1,090,291,855	1,229,251,389	138,959,534
Pensions and annuities in adjusted gross income.....	32,743,819	37,346,510	4,602,691
Business and profession net profit less loss.....	53,546,508	56,564,466	3,017,958
Farm net profit less loss.....	3,565,293	2,123,614	-1,441,679
Partnership net profit less loss.....	15,044,787	12,449,418	-2,595,369
Small Business Corporation net profit less loss.....	2,284,806	2,231,684	-53,122
Sales of capital assets net gain less loss.....	23,231,376	28,448,300	5,216,924
Sales of property <i>other</i> than capital assets net gain less loss.....	1,256,902	961,096	-295,806
Dividends in adjusted gross income.....	30,206,475	33,482,508	3,276,033
Interest received.....	61,222,522	73,875,462	12,652,940
Rent net income less loss.....	3,139,157	1,832,334	-1,306,823
Royalty net income less loss.....	2,559,870	3,008,776	448,906
Estate or trust net income less loss.....	3,079,603	3,780,423	700,820
All other sources (net) ¹	2,638,501	4,817,036	2,178,535
Total statutory adjustments.....	22,364,088	24,778,484	2,414,396
Total itemized deductions.....	164,432,406	184,168,669	19,736,263
Number of exemptions.....	219,867,696	224,691,732	4,824,036
Taxable income.....	1,062,190,322	1,157,247,646	95,057,324
Zero bracket amount.....	215,787,307	230,610,133	14,822,826
Income tax before credits.....	203,803,653	220,099,516	16,295,863
Total credits.....	17,085,591	6,780,186	-10,305,405
Income tax after credits.....	186,718,062	213,319,330	26,601,268
Additional tax for tax preferences.....	1,514,475	1,175,188	-339,287
Total income tax.....	188,232,537	214,494,519	26,261,982
Self-employment tax.....	4,705,994	5,365,085	659,091
Total tax liability.....	193,184,849	220,100,162	26,915,313

¹Consists of State income tax refunds, alimony received, unemployment compensation in adjusted gross income and other income less loss.

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

Data by Sex of Taxpayer

For the first time since 1974, non-joint returns in this report have been classified by sex of taxpayers, with taxpayer name used to determine the classification. (In the case of joint returns, which by definition contain combined amounts for one male and one female taxpayer, no such classification was possible.) Figure 1A shows the change in salaries and wages reported on non-joint returns filed by men and women for Tax Years 1969, 1974, and 1979. Over that period, women's salaries dropped from 93.3 to 81.4 percent of those reported by men. Data on other sources of income are shown in table 1.2.

Unemployment Compensation

Tax Year 1979 was the first time that tax return filers were to show amounts received as unemployment

compensation on their income tax returns. Under the Revenue Act of 1978, all or a portion of such compensation may also have been includible in adjusted gross income, and thus subjected to the Federal individual income tax. The includible portion was computed by adding total unemployment compensation to all other sources of income, and subtracting out an exclusion of \$20,000 for unmarried taxpayers, or \$25,000 for married taxpayers filing jointly (married persons filing separately were not eligible for any exclusion). One-half the excess over the exclusion (but never more than total unemployment compensation) was includible in adjusted gross income. As can be seen from table 1D, fewer than 7 percent of the returns with includible unemployment compensation had adjusted gross income of less than \$10,000, and fewer than 1 percent of these returns became taxable as a result of adding unemployment compensation into adjusted gross income.

Table 1B.--Number of Returns by Marital Status and by Size of Adjusted Gross Income, 1978 and 1979

[All figures are estimates based on samples]

Size of adjusted gross income and marital status	1978	1979	Change, 1978 to 1979
	(1)	(2)	(3)
Number of returns for all adjusted gross income classes.....	89,771,551	92,694,302	2,922,751
Joint returns of husbands and wives.....	44,483,348	44,855,141	371,793
Separate returns of husbands and wives.....	1,567,250	1,726,238	158,988
Returns of heads of households.....	6,382,444	7,213,112	830,668
Returns of surviving spouses.....	126,139	115,240	-10,899
Returns of single persons.....	37,212,370	38,784,571	1,572,201
Under \$5,000, total ¹	22,236,197	20,863,567	-1,372,630
Joint returns of husbands and wives.....	2,929,584	2,564,514	-365,070
Separate returns of husbands and wives.....	649,035	520,269	-128,766
Returns of heads of households.....	1,553,456	1,558,311	4,855
Returns of surviving spouses.....	32,974	22,091	-10,883
Returns of single persons.....	17,071,148	16,198,382	-872,766
\$5,000 under \$10,000, total.....	19,585,276	19,664,858	79,582
Joint returns of husbands and wives.....	6,050,137	5,477,986	-572,151
Separate returns of husbands and wives.....	453,128	518,295	65,167
Returns of heads of households.....	2,444,978	2,565,181	120,203
Returns of surviving spouses.....	31,786	38,497	6,711
Returns of single persons.....	10,605,247	11,064,899	459,652
\$10,000 under \$15,000, total.....	14,241,599	14,433,255	191,656
Joint returns of husbands and wives.....	7,443,907	6,466,232	-977,675
Separate returns of husbands and wives.....	237,573	351,716	114,143
Returns of heads of households.....	1,307,103	1,628,732	321,629
Returns of surviving spouses.....	22,537	20,156	-2,381
Returns of single persons.....	5,230,479	5,966,419	735,940
\$15,000 under \$20,000, total.....	11,408,934	11,385,151	-23,783
Joint returns of husbands and wives.....	8,156,001	7,395,421	-760,580
Separate returns of husbands and wives.....	134,454	196,622	62,168
Returns of heads of households.....	619,091	779,512	160,421
Returns of surviving spouses.....	21,177	11,336	-9,841
Returns of single persons.....	2,478,211	3,002,260	524,049
\$20,000 or more, total.....	22,299,545	26,347,471	4,047,926
Joint returns of husbands and wives.....	19,903,719	22,950,988	3,047,269
Separate returns of husbands and wives.....	93,060	139,336	46,276
Returns of heads of households.....	457,816	681,376	223,560
Returns of surviving spouses.....	17,665	23,160	5,495
Returns of single persons.....	1,827,285	2,552,611	725,326

¹Includes returns with no adjusted gross income.**Income Earned Abroad***

The Foreign Earned Income Act of 1978 abolished the rule under which any U.S. taxpayer could exempt up to \$15,000 of income earned while living abroad (up to \$20,000 in the case of employees of charitable organizations). In its place, it established two new rules. Persons living in so-called hardship areas could exclude up to \$20,000 of income earned abroad. Other U.S. taxpayers could take an adjustment to income based on the expenses of living abroad. For Tax Year 1978, taxpayers had the option of using

either of the two new rules, or using the old rule in effect for 1977 and earlier years. Table 1E shows that, for Tax Year 1979, most individual taxpayers no longer had the option of using the old "exempt foreign income" computation (it was still used on a few non-calendar year and prior-year delinquent returns). Table 1E also shows that 72 percent of the \$4.7 million of foreign-earned income reported on Forms 2555 for 1979 was includible in adjusted gross income. By way of contrast, for Tax Year 1978, only 59 percent of the foreign-earned income from Form 2555 was includible.

*Statistics on income earned abroad are presented in this report for the purpose of showing the effect of tax law changes in this area on adjusted gross income. Further details will be available from the Supplemental Report, Statistics of Income--1976-1979, International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns.

Individual Returns/1979 • Returns Filed and Sources of Income

Table 1C.--All Returns and Nontaxable Returns, by Size of Adjusted Gross Income, 1969-1979

[All figures are estimates based on samples]

Size of adjusted gross income	All returns	Nontaxable returns		All returns	Nontaxable returns		All returns	Nontaxable returns	
		Number	Percent of all returns		Number	Percent of all returns		Number	Percent of all returns
	1969			1970			1971		
Total.....	75,834,388	12,112,994	16.0	74,279,831	14,962,460	20.1	74,576,407	14,660,035	19.7
Under \$5,000.....	31,405,265	11,708,022	37.3	28,308,034	14,493,251	51.2	27,155,048	14,002,305	51.6
\$5,000 under \$10,000.....	22,657,528	364,981	1.6	22,303,067	429,624	1.9	21,443,479	602,100	2.8
\$10,000 under \$15,000.....	13,649,392	23,993	0.2	14,106,019	25,118	0.2	14,604,270	37,416	0.3
\$15,000 under \$20,000.....	4,721,696	7,720	0.2	5,538,453	6,553	0.1	6,453,851	7,834	0.1
\$20,000 under \$25,000.....	1,536,601	2,993	0.2	1,909,167	2,816	0.1	2,377,638	4,476	0.2
\$25,000 under \$30,000.....	645,888	857	0.1	768,235	1,759	0.2	968,565	1,642	0.2
\$30,000 under \$50,000.....	807,497	2,204	0.3	918,188	2,002	0.2	1,077,844	2,884	0.3
\$50,000 under \$100,000.....	328,410	1,479	0.5	350,978	937	0.3	404,692	1,078	0.3
\$100,000 under \$200,000....	63,605	445	0.7	62,467	289	0.5	72,856	218	0.3
\$200,000 under \$500,000....	14,786	188	1.3	12,830	90	0.7	15,089	67	0.4
\$500,000 under \$1,000,000..	2,509	60	2.4	1,751	18	1.0	2,192	12	0.5
\$1,000,000 or more.....	1,211	52	4.3	642	3	0.5	883	3	0.3
	1972			1973			1974		
Total.....	77,572,720	16,703,713	21.5	80,692,587	16,425,425	20.4	83,340,190	16,005,423	19.2
Under \$5,000.....	26,963,312	15,738,952	58.4	27,037,618	15,491,830	57.3	26,766,673	15,046,441	56.2
\$5,000 under \$10,000.....	21,175,854	850,252	4.0	20,581,732	797,608	3.9	20,586,617	797,997	3.9
\$10,000 under \$15,000.....	15,364,155	79,852	0.5	15,804,109	77,445	0.5	15,670,258	104,725	0.7
\$15,000 under \$20,000.....	7,773,413	18,266	0.2	9,091,001	33,242	0.4	10,071,087	25,517	0.3
\$20,000 under \$25,000.....	3,093,728	6,388	0.2	3,943,993	9,769	0.2	4,944,795	12,290	0.2
\$25,000 under \$30,000.....	1,266,377	4,734	0.4	1,741,991	5,131	0.3	2,259,928	5,881	0.3
\$30,000 under \$50,000.....	1,337,578	3,254	0.2	1,759,837	7,312	0.4	2,173,868	8,939	0.4
\$50,000 under \$100,000.....	483,677	1,590	0.3	596,663	2,466	0.4	700,528	2,667	0.4
\$100,000 under \$200,000....	91,707	317	0.3	110,176	458	0.4	135,304	722	0.5
\$200,000 under \$500,000....	19,233	88	0.5	21,929	142	0.6	26,842	196	0.7
\$500,000 under \$1,000,000..	2,666	14	0.5	2,635	15	0.6	3,194	36	1.1
\$1,000,000 or more.....	1,030	6	0.6	903	7	0.8	1,096	12	1.1
	1975			1976			1977		
Total.....	82,229,332	20,738,595	25.2	84,670,389	20,249,022	23.9	86,634,640	22,253,502	25.7
Under \$5,000.....	24,901,853	17,734,874	71.2	23,935,751	17,127,463	71.6	23,262,635	18,312,713	78.7
\$5,000 under \$10,000.....	19,952,914	2,614,553	13.1	19,892,956	2,757,467	13.9	19,342,819	3,467,855	17.9
\$10,000 under \$15,000.....	14,963,680	239,408	1.6	14,551,350	222,449	1.5	14,299,206	284,787	2.0
\$15,000 under \$20,000.....	10,353,534	93,206	0.9	11,197,191	70,151	0.6	11,404,973	95,064	0.8
\$20,000 under \$25,000.....	5,598,117	27,110	0.5	6,649,622	31,095	0.5	7,766,714	40,132	0.5
\$25,000 under \$30,000.....	2,744,255	10,321	0.4	3,629,532	17,107	0.5	4,354,040	20,747	0.5
\$30,000 under \$50,000.....	2,747,618	13,145	0.5	3,639,050	19,550	0.5	4,784,916	25,032	0.5
\$50,000 under \$100,000.....	781,406	4,984	0.6	948,034	3,180	0.3	1,140,784	6,588	0.6
\$100,000 under \$200,000....	152,349	734	0.5	185,142	492	0.3	225,150	524	0.2
\$200,000 under \$500,000....	29,193	204	0.7	36,357	60	0.2	46,386	55	0.1
\$500,000 under \$1,000,000..	3,289	44	1.3	4,047	**8	**0.1	5,232	**5	**0.1
\$1,000,000 or more.....	1,124	12	1.1	1,357	**	**	1,785	**	**
	1978			1979					
Total.....	89,771,551	21,083,246	23.5	92,694,302	20,999,319	22.7			
Under \$5,000.....	22,236,197	17,099,676	76.9	20,863,567	16,144,669	77.4			
\$5,000 under \$10,000.....	19,585,276	3,284,132	16.8	19,664,858	4,217,177	21.4			
\$10,000 under \$15,000.....	14,241,599	421,816	3.0	14,433,255	369,561	2.6			
\$15,000 under \$20,000.....	11,408,934	129,258	1.1	11,385,151	138,379	1.2			
\$20,000 under \$25,000.....	8,552,615	61,600	0.7	9,021,414	57,844	0.6			
\$25,000 under \$30,000.....	5,386,257	34,101	0.6	6,309,121	32,933	0.5			
\$30,000 under \$50,000.....	6,535,452	40,227	0.6	8,675,455	29,415	0.3			
\$50,000 under \$100,000.....	1,471,406	11,237	0.8	1,889,878	8,609	0.5			
\$100,000 under \$200,000....	285,309	1,101	0.4	357,872	662	0.2			
\$200,000 under \$500,000....	59,884	88	0.1	80,226	61	0.1			
\$500,000 under \$1,000,000..	6,581	**10	**0.1	9,904	**9	**0.1			
\$1,000,000 or more.....	2,041	**	**	3,601	**	**			

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

Statutory Adjustments to Gross Income

Adjustments to gross income included expenses incurred by business men and women or by farmers in the course of running a business, as well as certain expenses of employees such as moving or travel expenses. Sole proprietorship expenses were reported on Schedules C and F (or, in the case of partnerships or Small Business Corporations, on the appropriate forms filled in by these entities) and are detailed in the reports Statistics of Income—Sole Proprie-

torship Returns, Statistics of Income—Partnership Returns, and Statistics of Income—Corporation Income Tax Returns.

Statutory adjustments, which were reported on the Form 1040, consisted of moving expenses, employee business expenses, payments to an individual retirement arrangement (IRA), payments to a self-employed retirement (Keogh) plan, forfeited interest penalty, alimony paid, and the disability income exclusion. The computation of the disability income exclusion is shown in table 1F.

Figure 1A
Average Salaries and Wages Reported on Non-Joint Returns by Sex of Taxpayer, 1969, 1974, and 1979.

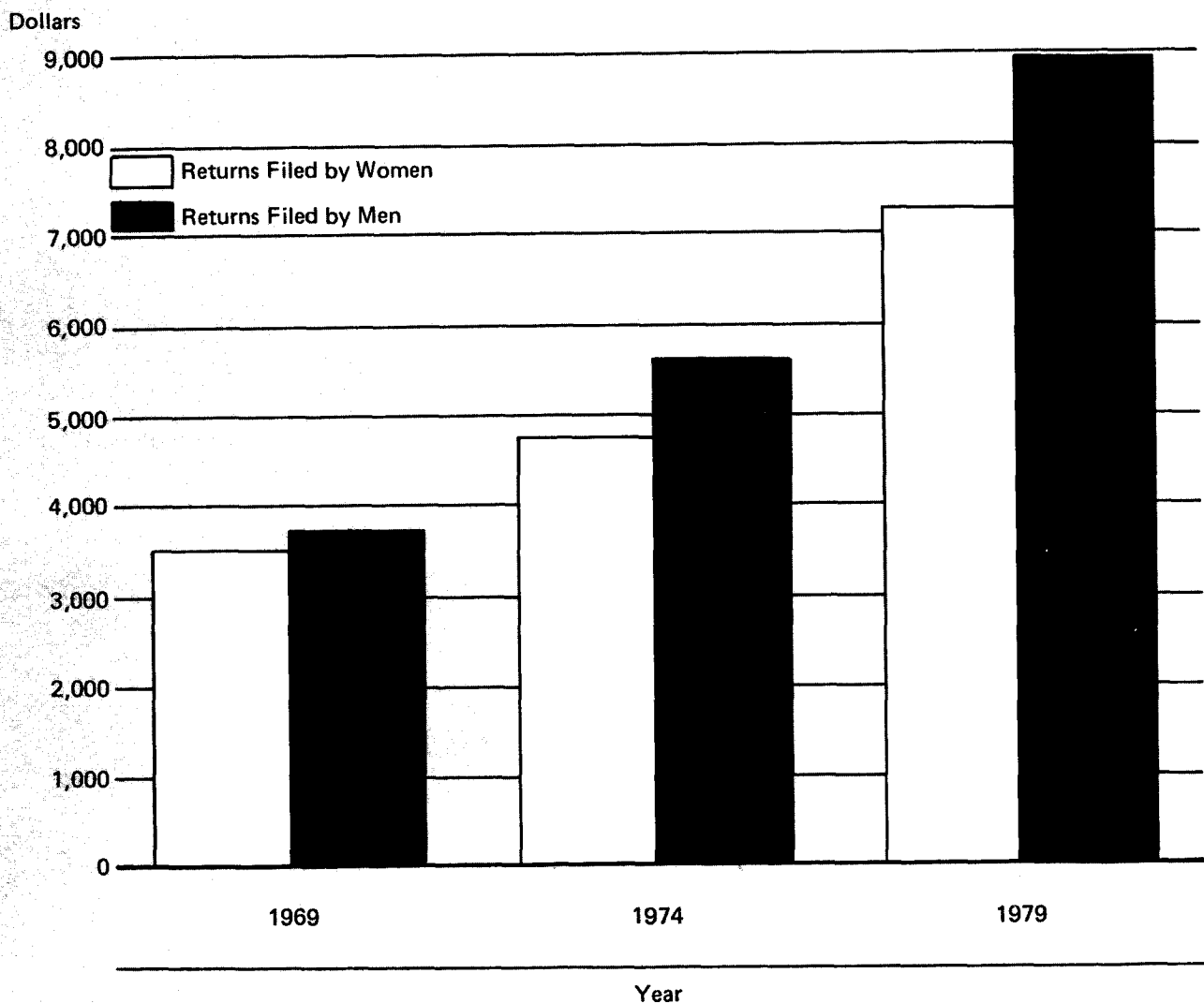


Table 1D.--Returns With Unemployment Compensation by Tax Status and by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns	Adjusted gross income	Exemptions (Amount)	Unemployment compensation		Salaries and wages		Total income tax		
				Total	In adjusted gross income		Number of returns	Amount	Number of returns	Amount
					Number of returns	Amount				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
All returns, total.....	6,276,302	90,509,784	16,736,292	7,170,737	1,222,829	994,089	6,216,540	85,764,740	5,080,290	10,393,351
Under \$2,000.....	198,208	117,399	367,476	327,300	*6,272	*1,449	188,530	309,782	*1,084	*466
\$2,000 under \$4,000.....	537,372	1,647,284	981,352	739,067	*16,497	*4,864	532,467	1,657,448	136,586	7,079
\$4,000 under \$6,000.....	649,333	3,262,816	1,223,393	752,422	19,966	10,867	638,060	3,127,723	403,795	93,125
\$6,000 under \$8,000.....	672,182	4,702,361	1,441,271	735,399	23,699	24,233	661,753	4,519,887	433,347	208,687
\$8,000 under \$10,000.....	579,088	5,214,032	1,376,856	688,387	18,507	7,611	570,816	4,951,358	493,623	318,884
\$10,000 or more.....	3,640,119	75,565,892	11,345,944	3,928,163	1,137,888	945,066	3,624,914	71,198,542	3,611,855	9,765,110
Taxable returns, total.....	5,080,290	85,158,441	13,391,968	5,489,574	1,193,130	973,166	5,046,940	80,436,958	5,080,290	10,393,351
Under \$2,000.....	*1,084	*2,452	*2,168	*113	-	-	-	-	*1,084	*466
\$2,000 under \$4,000.....	136,586	497,946	137,130	146,254	*7,736	*2,115	136,586	494,297	136,586	7,079
\$4,000 under \$6,000.....	403,795	2,027,727	457,212	456,665	18,244	9,429	398,061	1,976,536	403,795	93,125
\$6,000 under \$8,000.....	433,347	3,031,269	577,972	428,627	17,694	17,188	428,648	2,930,053	433,347	208,687
\$8,000 under \$10,000.....	493,623	4,468,306	992,192	566,626	16,659	4,055	486,686	4,245,844	493,623	318,884
\$10,000 or more.....	3,611,855	75,135,645	11,225,294	3,891,289	1,132,797	940,379	3,596,959	70,790,228	3,611,855	9,765,110
Nontaxable returns, total.....	1,196,012	5,351,343	3,344,324	1,681,163	29,699	20,923	1,169,600	5,327,781	-	-
Under \$2,000.....	197,124	119,851	365,308	327,187	*6,272	*1,449	188,530	309,782	-	-
\$2,000 under \$4,000.....	400,786	1,149,338	844,222	592,813	*8,761	*2,749	395,881	1,163,151	-	-
\$4,000 under \$6,000.....	245,538	1,235,089	766,181	295,757	*1,722	*1,438	239,999	1,151,187	-	-
\$6,000 under \$8,000.....	238,835	1,671,092	863,299	306,772	*6,005	*7,045	233,105	1,589,834	-	-
\$8,000 under \$10,000.....	85,465	745,726	384,664	121,760	*1,848	*3,556	84,130	705,514	-	-
\$10,000 or more.....	28,264	430,247	120,650	36,874	5,091	4,687	27,955	408,314	-	-
Returns that would have been nontaxable, except for unemployment compensation, total.....	*8,885	*45,549	*15,729	*18,388	*8,885	*17,613	*8,148	*23,439	*8,885	*1,190
Under \$2,000.....	-	-	-	-	-	-	-	-	-	-
\$2,000 under \$4,000.....	*1,903	*5,568	*1,903	*1,203	*1,903	*1,203	*1,903	*4,365	*1,903	*63
\$4,000 under \$6,000.....	*4,631	*23,497	*5,526	*6,905	*4,631	*6,905	*4,262	*12,343	*4,631	*583
\$6,000 under \$8,000.....	*2,351	*16,484	*8,300	*10,281	*2,351	*9,506	*1,983	*6,730	*2,351	*544
\$8,000 under \$10,000.....	-	-	-	-	-	-	-	-	-	-
\$10,000 or more.....	-	-	-	-	-	-	-	-	-	-

Individual Returns/1979 • Returns Filed and Sources of Income

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

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

Table 1E.--Returns With Income Earned Abroad: Amount Exempted, Excluded, or Deducted, 1978 and 1979

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

Size of adjusted gross income	Number of returns	Adjusted gross income	Income earned abroad										Amount included in adjusted gross income	
			Total	Amount exempted, excluded, or deducted										
				Total		Amount exempted		Amount excluded		Amount deducted				
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
1978														
Total.....	169,951	4,081,973	5,772,795	166,801	2,367,749	135,790	1,955,180	6,136	98,100	28,644	314,468	123,739	3,405,047	
No adjusted gross income....	21,443	-15,653	296,297	*21,196	*279,969	*21,147	*278,325	-	-	*49	*1,643	*4,535	*16,329	
\$1 under \$10,000.....	54,599	276,085	944,707	54,599	733,380	51,173	688,989	*2,853	*42,795	*573	*1,596	*27,419	*211,326	
\$10,000 under \$20,000.....	26,392	413,726	761,146	26,206	428,866	23,776	395,983	-	-	*5,608	*32,883	24,483	332,280	
\$20,000 under \$30,000.....	21,435	507,601	714,762	20,012	262,310	16,649	235,316	*981	*16,223	*2,382	*10,771	21,435	452,452	
\$30,000 under \$50,000.....	22,093	888,794	1,040,476	21,210	293,057	13,174	185,024	*1,054	*20,020	6,982	88,014	21,897	747,419	
\$50,000 under \$100,000.....	19,220	1,288,701	1,403,379	18,952	295,286	8,374	144,075	*1,238	*18,585	9,870	132,626	19,220	1,108,093	
\$100,000 under \$200,000.....	4,257	546,251	498,278	4,147	67,531	1,277	23,550	*5	*400	2,901	43,581	4,247	430,747	
\$200,000 under \$500,000.....	464	122,218	96,414	432	6,664	195	3,420	*5	*78	257	3,167	459	89,750	
\$500,000 under \$1,000,000...	40	27,163	12,609	39	594	**25	**500	-	-	19	172	38	12,015	
\$1,000,000 or more.....	8	27,088	4,729	8	93	**	**	-	-	3	16	6	4,636	
1979														
Total.....	129,145	4,094,489	4,659,430	117,632	1,285,251	10,619	127,706	25,144	381,190	81,869	776,355	111,969	3,374,180	
No adjusted gross income....	3,113	-11,799	56,581	*3,110	*52,581	*20	*342	**	**	*3,089	*52,225	*29	*4,001	
\$1 under \$10,000.....	30,241	131,518	311,743	26,669	205,480	-	-	**7,713	**105,027	18,957	100,466	20,269	106,262	
\$10,000 under \$20,000.....	31,064	451,667	653,437	27,375	303,126	*4,507	*55,268	9,013	140,581	13,855	107,277	28,444	350,310	
\$20,000 under \$30,000.....	15,458	355,764	446,428	14,532	179,888	*3,781	*55,877	*2,103	*24,132	8,648	99,879	14,531	266,540	
\$30,000 under \$50,000.....	25,461	991,436	1,086,898	23,633	255,015	*2,021	*12,267	4,285	75,607	17,327	167,140	25,218	831,884	
\$50,000 under \$100,000.....	17,574	1,213,648	1,276,934	16,325	209,307	*90	*221	1,985	34,943	14,250	174,143	17,279	1,067,627	
\$100,000 under \$200,000.....	5,491	721,026	660,792	5,270	72,033	*190	*3,575	*45	*900	5,035	67,558	5,472	588,760	
\$200,000 under \$500,000.....	685	188,409	141,218	666	7,320	*6	*90	-	-	660	7,230	671	133,898	
\$500,000 under \$1,000,000...	45	29,100	18,025	42	401	**4	**65	-	-	39	338	45	17,623	
\$1,000,000 or more.....	13	23,720	7,374	10	100	**	**	-	-	9	98	11	7,273	
1979 As A Percent of 1978														
Total.....	76.0	100.3	80.7	70.5	54.3	7.8	6.5	409.8	388.6	285.8	246.9	90.5	99.1	
No adjusted gross income....	14.5	75.4	19.1	14.7	18.8	0.1	0.1	-	-	6,304.1	3,178.6	0.6	24.5	
\$1 under \$10,000.....	55.4	47.6	33.0	48.8	28.0	-	-	270.3	245.4	3,308.4	6,294.9	73.9	50.3	
\$10,000 under \$20,000.....	117.7	109.2	85.8	104.5	70.7	19.0	14.0	-	-	247.1	326.2	116.2	105.4	
\$20,000 under \$30,000.....	72.1	70.1	62.5	72.6	68.6	22.7	23.7	214.4	148.8	363.1	927.3	67.8	58.9	
\$30,000 under \$50,000.....	115.2	111.5	104.5	111.4	87.0	15.3	6.6	406.5	377.7	248.2	189.9	115.2	111.3	
\$50,000 under \$100,000.....	91.4	94.2	91.0	86.1	70.9	1.1	0.2	160.3	188.0	144.4	131.3	89.9	96.3	
\$100,000 under \$200,000.....	129.0	132.0	132.6	127.1	106.7	14.9	15.2	900.0	225.0	173.6	155.0	128.8	136.7	
\$200,000 under \$500,000.....	147.6	154.2	146.5	154.2	109.8	3.1	2.6	-	-	256.8	228.3	146.2	149.2	
\$500,000 under \$1,000,000...	112.5	107.1	143.0	107.7	67.5	**16.0	**13.0	-	-	205.3	196.5	118.4	146.7	
\$1,000,000 or more.....	162.5	87.6	155.9	125.0	107.5	**	**	-	-	300.0	612.5	183.3	156.9	

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

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

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

Individual Returns/1979 • Returns Filed and Sources of Income

Table 1F.--Returns With Disability Income Payments: Computation of Disability Income Exclusion

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

Size of adjusted gross income	Total disability payments					Adjusted gross income phaseout		Disability income exclusion	
	Number of returns	Number of qualified individuals	Amount of payments	Maximum qualified for exclusion	Adjusted gross income less deficit	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total.....	257,742	265,257	1,368,906	1,050,203	1,843,725	50,617	100,329	248,087	949,874
Under \$2,000.....	56,551	60,344	281,319	261,301	27,523	-	-	56,551	261,301
\$2,000 under \$4,000.....	31,160	31,615	162,780	136,381	88,363	-	-	31,160	136,381
\$4,000 under \$6,000.....	39,317	39,317	236,459	170,901	194,975	-	-	39,317	170,901
\$6,000 under \$8,000.....	36,730	38,008	210,076	144,053	254,339	*1,236	*1,279	36,730	142,774
\$8,000 under \$10,000.....	19,737	21,019	126,039	80,149	176,850	*1,282	*2,252	19,737	77,896
\$10,000 under \$15,000.....	54,458	55,165	249,562	187,699	672,208	28,310	35,422	54,458	152,277
\$15,000 under \$20,000.....	13,524	13,524	65,557	44,886	237,408	13,524	36,542	10,134	8,344
\$20,000 under \$25,000.....	*1,748	*1,748	*12,525	*9,090	*37,947	*1,748	*9,090	-	-
\$25,000 or more.....	4,517	4,517	24,590	15,744	154,112	4,517	15,744	-	-

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

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

Table 1.1 — Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income

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

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total	Average (dollars)			Amount	Percent of total
Size of Adjusted Gross Income	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Total	92,694,302	100.0	1,465,394,530	100.0	15,809	71,694,983	100.0	1,402,263,632	100.0
No adjusted gross income.....	542,104	.6	-9,386,836	—	-17,316	7,971	(²)	-559,333	—
\$1 under \$1,000.....	3,246,888	3.5	1,869,692	.1	576	1,936	(²)	1,743	(²)
\$1,000 under \$2,000.....	4,528,124	4.9	6,789,852	.5	1,499	98,473	.1	149,087	(²)
\$2,000 under \$3,000.....	4,494,944	4.8	11,142,090	.8	2,479	122,886	.2	310,403	(²)
\$3,000 under \$4,000.....	4,117,916	4.4	14,418,690	1.0	3,501	1,956,898	2.7	7,085,873	.5
\$4,000 under \$5,000.....	3,933,591	4.2	17,659,606	1.2	4,489	2,530,734	3.5	11,379,615	.8
\$5,000 under \$6,000.....	4,090,766	4.4	22,539,843	1.5	5,510	2,743,552	3.8	15,154,105	1.1
\$6,000 under \$7,000.....	4,299,729	4.6	27,911,459	1.9	6,491	3,031,599	4.2	19,709,805	1.4
\$7,000 under \$8,000.....	4,015,837	4.3	30,085,916	2.1	7,492	3,089,675	4.3	23,185,987	1.7
\$8,000 under \$9,000.....	3,730,217	4.0	31,691,995	2.2	8,496	3,259,015	4.5	27,719,212	2.0
\$9,000 under \$10,000.....	3,528,310	3.8	33,483,359	2.3	9,490	3,323,840	4.6	31,561,709	2.3
\$10,000 under \$11,000.....	3,203,763	3.5	33,627,379	2.3	10,496	3,074,408	4.3	32,275,066	2.3
\$11,000 under \$12,000.....	3,007,481	3.2	34,561,448	2.4	11,492	2,918,661	4.1	33,546,771	2.4
\$12,000 under \$13,000.....	2,926,774	3.2	36,548,726	2.5	12,488	2,865,692	4.0	35,788,233	2.6
\$13,000 under \$14,000.....	2,723,613	2.9	36,778,145	2.5	13,503	2,671,892	3.7	36,081,190	2.6
\$14,000 under \$15,000.....	2,571,624	2.8	37,293,560	2.5	14,502	2,533,031	3.5	36,732,543	2.6
\$15,000 under \$20,000.....	11,385,151	12.3	198,510,919	13.5	17,436	11,246,772	15.7	196,134,200	14.0
\$20,000 under \$25,000.....	9,021,414	9.7	201,687,813	13.8	22,357	8,963,570	12.5	200,411,539	14.3
\$25,000 under \$30,000.....	6,309,121	6.8	172,374,956	11.8	27,322	6,276,188	8.8	171,480,215	12.2
\$30,000 under \$40,000.....	6,446,203	7.0	219,926,838	15.0	34,117	6,421,836	9.0	219,105,253	15.6
\$40,000 under \$50,000.....	2,229,252	2.4	98,307,745	6.7	44,099	2,224,204	3.1	98,086,030	7.0
\$50,000 under \$75,000.....	1,456,498	1.6	86,844,336	5.9	59,219	1,459,267	2.0	86,417,733	6.2
\$75,000 under \$100,000.....	423,380	.5	36,318,472	2.5	85,782	422,002	.6	36,203,406	2.6
\$100,000 under \$200,000.....	357,872	.4	47,050,833	3.2	131,474	357,210	.5	46,969,069	3.3
\$200,000 under \$500,000.....	80,226	.1	22,670,389	1.5	282,582	80,165	.1	22,653,514	1.6
\$500,000 under \$1,000,000.....	9,904	(²)	6,571,180	.4	663,487	9,897	(²)	6,566,817	.5
\$1,000,000 or more.....	3,601	(²)	8,116,126	.6	2,253,854	3,599	(²)	8,113,848	.6

Size and accumulated size of adjusted gross income	Taxable returns—Continued										
	Taxable income			Income tax after credits			Total income tax				
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of—			Average income tax (dollars)
Size of Adjusted Gross Income	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Total	71,671,424	1,127,471,156	100.0	71,619,111	213,319,330	100.0	214,494,519	100.0	19.0	15.3	2,992
No adjusted gross income.....	—	—	—	215	450	(²)	70,473	(²)	(²)	(²)	8,841
\$1 under \$1,000.....	—	—	—	*1,677	*5,366	(²)	*6,261	(²)	(²)	(²)	*3,234
\$1,000 under \$2,000.....	97,626	265,091	(²)	97,626	5,739	(²)	7,600	(²)	2.9	5.1	77
\$2,000 under \$3,000.....	122,443	359,580	(²)	122,125	14,752	(²)	15,240	(²)	4.2	4.9	124
\$3,000 under \$4,000.....	1,956,589	5,175,509	.5	1,956,760	101,085	(²)	101,466	(²)	2.0	1.4	52
\$4,000 under \$5,000.....	2,529,959	8,567,787	.8	2,529,920	398,987	.2	401,385	.2	4.7	3.5	159
\$5,000 under \$6,000.....	2,743,474	11,771,377	1.0	2,743,256	807,981	.4	808,901	.4	6.9	5.3	295
\$6,000 under \$7,000.....	3,031,445	15,683,474	1.4	3,031,538	1,306,556	.6	1,306,890	.6	8.3	6.6	431
\$7,000 under \$8,000.....	3,089,421	18,346,439	1.6	3,089,421	1,632,874	.8	1,634,968	.8	8.9	7.1	529
\$8,000 under \$9,000.....	3,257,471	21,717,397	1.9	3,257,121	2,044,080	1.0	2,047,427	1.0	9.4	7.4	628
\$9,000 under \$10,000.....	3,323,450	24,699,737	2.2	3,322,408	2,550,043	1.2	2,551,554	1.2	10.3	8.1	768
\$10,000 under \$11,000.....	3,074,093	25,257,731	2.2	3,073,423	2,831,615	1.3	2,834,816	1.3	11.2	8.8	922
\$11,000 under \$12,000.....	2,918,637	26,372,313	2.3	2,917,485	3,106,675	1.5	3,108,122	1.4	11.8	9.3	1,065
\$12,000 under \$13,000.....	2,865,503	28,172,186	2.5	2,864,585	3,457,386	1.6	3,458,708	1.6	12.3	9.7	1,207
\$13,000 under \$14,000.....	2,671,589	28,655,582	2.5	2,671,469	3,678,226	1.7	3,679,484	1.7	12.8	10.2	1,377
\$14,000 under \$15,000.....	2,532,260	29,247,215	2.6	2,532,127	3,874,813	1.8	3,876,605	1.8	13.3	10.6	1,530
\$15,000 under \$20,000.....	11,245,638	157,191,445	13.9	11,241,798	22,650,439	10.6	22,661,266	10.6	14.4	11.6	2,015
\$20,000 under \$25,000.....	8,962,089	161,391,966	14.3	8,958,394	25,715,231	12.1	25,734,686	12.0	15.9	12.8	2,871
\$25,000 under \$30,000.....	6,275,812	138,956,732	12.3	6,265,781	24,349,214	11.4	24,377,331	11.4	17.5	14.2	3,884
\$30,000 under \$40,000.....	6,420,385	177,998,899	15.8	6,405,884	35,422,169	16.6	35,486,220	16.5	19.9	16.2	5,526
\$40,000 under \$50,000.....	2,223,974	79,820,367	7.1	2,216,634	18,533,910	8.7	18,593,072	8.6	23.3	19.0	8,359
\$50,000 under \$75,000.....	1,458,475	70,276,580	6.2	1,451,199	19,608,224	9.2	19,753,175	9.1	28.1	22.9	13,536
\$75,000 under \$100,000.....	421,314	29,385,379	2.6	419,902	9,947,862	4.7	10,057,784	4.6	34.2	27.8	23,833
\$100,000 under \$200,000.....	356,396	38,339,244	3.4	355,286	15,404,801	7.2	15,655,674	7.2	40.8	33.3	43,828
\$200,000 under \$500,000.....	79,940	18,333,964	1.6	79,665	9,008,491	4.2	9,219,010	4.2	50.3	40.7	115,000
\$500,000 under \$1,000,000.....	9,852	5,173,991	.5	9,831	2,890,964	1.4	2,972,594	1.3	57.5	45.3	300,353
\$1,000,000 or more.....	3,589	6,311,171	.6	3,581	3,971,401	1.9	4,073,808	1.9	64.5	50.2	1,131,928

Footnote(s) at end of table.

Table 1.1 — Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income — Continued

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

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total ¹	Average (dollars)			Amount	Percent of total ¹
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Cumulated From Smallest Size of Adjusted Gross Income									
No adjusted gross income.....	542,104	.6	-9,386,836	—	-17,316	7,971	(?)	-559,333	—
\$1 under \$1,000.....	3,246,888	3.5	1,869,692	.1	576	1,936	(?)	1,743	(?)
\$1 under \$2,000.....	7,775,012	8.4	8,659,543	.6	1,114	100,409	.1	150,830	(?)
\$1 under \$3,000.....	12,269,956	13.2	19,801,633	1.3	1,614	223,295	.3	461,232	(?)
\$1 under \$4,000.....	16,387,872	17.7	34,220,323	2.3	2,088	2,180,193	3.0	7,547,105	.5
\$1 under \$5,000.....	20,321,463	21.9	51,879,929	3.5	2,553	4,710,927	6.6	18,926,720	1.3
\$1 under \$6,000.....	24,412,229	26.3	74,419,771	5.0	3,048	7,454,479	10.4	34,080,825	2.4
\$1 under \$7,000.....	28,711,957	31.0	102,331,230	6.9	3,564	10,486,078	14.6	53,790,630	3.8
\$1 under \$8,000.....	32,727,794	35.3	132,417,146	9.0	4,046	13,575,753	18.9	76,976,617	5.5
\$1 under \$9,000.....	36,458,011	39.3	164,109,141	11.1	4,501	16,834,768	23.5	104,695,629	7.5
\$1 under \$10,000.....	39,986,321	43.1	197,592,500	13.4	4,942	20,158,608	28.1	136,257,538	9.7
\$1 under \$11,000.....	43,190,084	46.6	231,219,879	15.7	5,354	23,233,016	32.4	168,532,604	12.0
\$1 under \$12,000.....	46,197,565	49.8	265,781,327	18.0	5,753	26,151,697	36.5	202,079,375	14.4
\$1 under \$13,000.....	49,124,339	53.0	302,330,053	20.5	6,154	29,017,379	40.5	237,867,608	17.0
\$1 under \$14,000.....	51,847,952	55.9	339,108,198	23.0	6,540	31,689,271	44.2	273,948,798	19.5
\$1 under \$15,000.....	54,419,576	58.7	376,401,758	25.5	6,917	34,222,302	47.7	310,681,341	22.1
\$1 under \$20,000.....	65,804,727	71.0	574,912,677	39.0	8,737	45,469,074	63.4	506,815,541	36.1
\$1 under \$25,000.....	74,826,141	80.7	776,600,490	52.7	10,379	54,432,644	75.9	707,227,080	50.4
\$1 under \$30,000.....	81,135,262	87.5	948,975,446	64.3	11,696	60,708,832	84.7	878,079,295	62.6
\$1 under \$40,000.....	87,581,465	94.5	1,168,902,284	79.3	13,346	67,130,668	93.6	1,097,612,548	78.3
\$1 under \$50,000.....	89,810,717	96.9	1,267,210,029	85.9	14,110	69,354,872	96.7	1,195,898,578	85.2
\$1 under \$75,000.....	91,277,215	98.5	1,354,054,365	91.8	14,835	70,814,139	98.8	1,282,316,311	91.4
\$1 under \$100,000.....	91,700,595	98.9	1,390,372,837	94.3	15,162	71,236,141	99.4	1,318,519,717	94.0
\$1 under \$200,000.....	92,058,467	99.3	1,437,423,670	97.5	15,614	71,593,351	99.9	1,365,488,786	97.3
\$1 under \$500,000.....	92,138,693	99.4	1,460,094,060	99.0	15,847	71,673,516	100.0	1,388,142,300	99.0
\$1 under \$1,000,000.....	92,148,597	99.4	1,466,665,240	99.4	15,916	71,683,413	100.0	1,394,709,117	99.4
\$1 or more.....	92,152,198	99.4	1,474,781,366	100.0	16,004	71,687,012	100.0	1,402,822,965	100.0
All returns.....	92,694,302	100.0	1,465,394,530	99.4	15,809	71,694,983	100.0	1,402,263,632	100.0

Size and accumulated size of adjusted gross income	Taxable returns—Continued										
	Taxable income			Income tax after credits			Total income tax				
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of—			Average income tax (dollars)
								Total	Taxable income	Adjusted gross income less deficit	
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Cumulated From Smallest Size of Adjusted Gross Income											
No adjusted gross income.....	—	—	—	215	450	(?)	70,473	(?)	(?)	(?)	8,841
\$1 under \$1,000.....	—	—	—	1,677	5,366	(?)	6,261	(?)	(?)	(?)	3,234
\$1 under \$2,000.....	97,626	265,091	(?)	99,303	11,105	(?)	13,861	(?)	5.2	9.2	138
\$1 under \$3,000.....	220,069	624,672	.1	221,428	25,858	(?)	29,101	(?)	4.7	6.3	130
\$1 under \$4,000.....	2,176,658	5,800,180	.5	2,178,188	126,943	.1	130,567	.1	2.3	1.7	60
\$1 under \$5,000.....	4,706,617	14,367,968	1.3	4,708,108	525,929	.2	531,951	.2	3.7	2.8	113
\$1 under \$6,000.....	7,450,091	26,139,344	2.3	7,451,364	1,333,910	.6	1,340,852	.6	5.1	3.9	180
\$1 under \$7,000.....	10,461,536	41,822,818	3.7	10,462,902	2,640,466	1.2	2,647,742	1.2	6.3	4.9	253
\$1 under \$8,000.....	13,570,957	60,169,257	5.3	13,572,323	4,273,340	2.0	4,282,710	2.0	7.1	5.6	315
\$1 under \$9,000.....	16,828,428	81,886,654	7.3	16,829,444	6,317,420	3.0	6,330,137	3.0	7.7	6.0	376
\$1 under \$10,000.....	20,151,878	106,586,391	9.5	20,151,852	8,867,462	4.2	8,881,691	4.1	8.3	6.5	441
\$1 under \$11,000.....	23,225,971	131,844,123	11.7	23,225,275	11,699,077	5.5	11,716,507	5.5	8.9	7.0	504
\$1 under \$12,000.....	26,144,608	158,216,435	14.0	26,142,760	14,805,752	6.9	14,824,628	6.9	9.4	7.3	567
\$1 under \$13,000.....	29,010,111	186,388,621	16.5	29,007,345	18,263,137	8.6	18,283,336	8.5	9.8	7.7	630
\$1 under \$14,000.....	31,681,700	215,044,204	19.1	31,678,814	21,941,364	10.3	21,962,820	10.2	10.2	8.0	693
\$1 under \$15,000.....	34,213,960	244,291,418	21.7	34,210,941	25,816,176	12.1	25,839,425	12.1	10.6	8.3	755
\$1 under \$20,000.....	45,459,598	401,482,863	35.6	45,452,739	48,466,615	22.7	48,500,691	22.6	12.1	9.6	1,067
\$1 under \$25,000.....	54,421,687	562,874,829	49.9	54,411,133	74,181,846	34.8	74,235,377	34.6	13.2	10.5	1,364
\$1 under \$30,000.....	60,697,499	701,831,561	62.2	60,676,914	98,531,060	46.2	98,612,708	46.0	14.1	11.2	1,624
\$1 under \$40,000.....	67,117,884	879,830,460	78.0	67,082,798	133,953,229	62.8	134,098,928	62.5	15.2	12.2	1,998
\$1 under \$50,000.....	69,341,858	959,650,827	85.1	69,299,432	152,487,139	71.5	152,691,999	71.2	15.9	12.8	2,202
\$1 under \$75,000.....	70,800,333	1,029,927,407	91.3	70,750,631	172,095,363	80.4	172,445,175	80.4	16.7	13.4	2,435
\$1 under \$100,000.....	71,221,647	1,059,312,786	94.0	71,170,533	182,043,224	85.3	182,502,959	85.1	17.2	13.8	2,562
\$1 under \$200,000.....	71,578,043	1,097,652,030	97.4	71,525,819	197,448,025	92.6	198,158,633	92.4	18.1	14.5	2,768
\$1 under \$500,000.....	71,657,983	1,115,985,994	99.0	71,605,484	206,456,516	96.8	207,377,644	96.7	18.6	14.9	2,893
\$1 under \$1,000,000.....	71,667,835	1,121,159,985	99.4	71,615,315	209,347,479	98.1	210,350,238	98.1	18.8	15.1	2,934
\$1 or more.....	71,671,424	1,127,471,156	100.0	71,618,896	213,318,881	100.0	214,424,046	100.0	19.0	15.3	2,991
All returns.....	71,671,424	1,127,471,156	100.0	71,619,111	213,319,330	100.0	214,494,519	100.0	19.0	15.3	2,992

Footnote(s) at end of table.

Table 1.2 — All Returns: Sources of Income, Deductions, and Tax Items, by Marital Status and Sex of Taxpayer — Continued

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

Item	Returns of single persons						Returns of surviving spouses					
	Total		Filed by men		Filed by women		Total		Filed by men		Filed by women	
	Number of returns (17)	Amount (18)	Number of returns (19)	Amount (20)	Number of returns (21)	Amount (22)	Number of returns (23)	Amount (24)	Number of returns (25)	Amount (26)	Number of returns (27)	Amount (28)
Adjusted gross income less deficit.....	38,784,571	322,053,551	21,477,693	187,198,656	17,306,878	134,854,895	115,240	1,634,351	36,256	758,413	78,984	875,939
Salaries and wages.....	34,565,451	266,936,228	19,865,205	167,580,013	14,700,246	99,356,215	97,171	1,035,364	31,715	566,605	65,456	468,759
Business and profession:												
Net profit.....	1,021,805	7,065,699	704,643	5,503,004	317,162	1,562,696	6,524	69,765	3,061	51,340	3,463	18,426
Net loss.....	379,516	1,391,233	257,638	1,095,027	121,878	296,206	1,467	11,815	721	10,155	746	1,660
Farm:												
Net profit.....	225,665	1,265,232	184,652	1,115,687	41,013	149,545	*3,399	*28,674	*2,017	*12,473	*1,382	*16,201
Net loss.....	154,546	827,201	124,547	694,539	29,999	132,662	1,541	5,495	1,292	3,921	*249	*1,574
Partnership:												
Net profit.....	348,150	2,452,054	207,214	1,717,420	140,936	734,634	842	29,052	213	17,387	*629	*11,665
Net loss.....	225,516	1,273,888	153,426	997,094	72,090	276,794	745	7,726	365	4,029	380	3,896
Small Business Corporation:												
Net profit.....	70,584	590,451	44,298	362,328	26,286	228,123	448	9,244	*53	*2,052	*395	*7,193
Net loss.....	41,882	368,117	32,916	294,806	8,966	73,311	*1,572	*3,632	*1,497	*3,581	*75	*51
Sales of capital assets:												
Net gain.....	1,586,587	5,640,306	713,409	2,875,999	873,178	2,764,308	10,875	54,798	6,185	31,873	4,690	22,925
Net loss.....	512,057	690,989	239,075	349,630	272,982	341,359	2,807	4,195	759	834	*2,048	*3,362
Sales of property other than capital assets:												
Net gain.....	87,212	239,358	65,107	183,342	22,105	56,016	983	4,396	*787	*3,293	*196	*1,103
Net loss.....	65,120	204,796	50,195	175,999	14,925	28,796	*57	*174	†	†	†	†
Dividends in adjusted gross income.....	3,303,270	10,235,169	1,272,818	3,316,931	2,030,452	6,918,238	20,304	51,487	5,262	31,850	15,042	19,637
Interest received.....	16,106,597	22,362,116	7,720,419	7,448,751	8,386,178	14,913,364	86,250	209,671	21,449	34,314	64,801	175,357
Pensions and annuities in adjusted gross income.....	2,068,453	9,266,438	855,308	3,210,829	1,413,145	6,055,609	26,431	118,261	5,217	25,238	21,214	93,023
Rent:												
Net income.....	931,656	2,777,653	329,886	898,686	601,770	1,878,967	8,414	58,618	1,673	3,058	6,741	55,559
Net loss.....	694,145	1,764,633	408,932	1,274,878	285,213	489,755	12,867	17,689	2,072	3,551	10,795	14,139
Royalty:												
Net income.....	157,807	858,856	47,668	254,699	110,139	604,157	430	4,520	*217	*504	*213	*4,016
Net loss.....	12,702	34,101	5,688	19,078	7,014	15,023	*190	*185	*12	*182	*178	*3
Estate or trust:												
Net income.....	369,931	1,884,881	123,319	451,464	246,612	1,433,417	556	16,021	*75	*293	481	15,728
Net loss.....	16,115	83,063	8,668	54,002	7,447	29,061	*11	*9	*11	*9	—	—
State income tax refunds.....	1,145,348	334,509	621,668	209,551	523,680	124,958	19,153	4,453	8,249	1,726	10,904	2,727
Alimony received.....	119,514	546,129	*4,565	*7,398	114,949	538,731	—	—	—	—	—	—
Unemployment compensation in adjusted gross income.....	139,910	74,721	114,201	62,538	25,709	12,184	*1,175	*130	*1,175	*130	—	—
Other income less loss.....	731,659	224,847	393,704	63,090	337,955	161,757	14,206	10,598	2,599	9,230	11,607	1,369
Total statutory adjustments.....	2,241,863	4,063,077	1,455,449	3,108,020	786,414	955,058	11,726	19,781	1,769	6,628	9,957	13,152
Total itemized deductions.....	3,914,282	20,700,335	2,090,721	11,409,130	1,823,541	9,291,205	32,830	307,674	10,558	90,468	22,272	217,207
Excess itemized deductions.....	3,671,442	12,112,040	1,948,208	6,837,508	1,723,234	5,274,532	32,830	196,071	10,558	54,590	22,272	141,482
Taxable income.....	35,560,709	269,463,010	19,791,485	158,759,651	15,769,224	110,703,359	105,543	1,167,495	35,894	591,326	69,649	576,169
Income tax after credits.....	26,857,163	42,978,511	15,200,338	25,891,360	11,656,825	17,087,151	69,465	192,131	30,049	115,533	39,416	76,598
Total income tax.....	26,864,633	43,136,087	15,206,276	25,995,135	11,658,357	17,140,952	69,478	194,525	30,061	116,310	39,417	78,215
Total tax liability.....	27,278,691	43,843,619	15,494,318	26,551,343	11,784,373	17,292,276	69,544	200,533	30,118	119,860	39,426	80,672
Earned income credit, total.....	*53	*3	*53	*3	*3	—	49,711	9,505	7,627	1,489	42,084	8,015
Taxpayments:												
Total.....	35,972,405	50,913,451	20,217,112	31,586,697	15,755,293	19,326,754	98,749	197,035	33,427	117,045	65,322	79,991
Income tax withheld.....	33,954,226	43,894,673	19,475,055	28,647,500	14,479,171	15,247,173	88,280	155,591	31,981	95,278	56,299	60,313
Advance earned income credit payments.....	*1,984	*63	*1,984	*63	—	—	—	—	—	—	—	—
Tax due at time of filing.....	5,356,451	4,825,631	2,620,915	2,611,627	2,735,536	2,214,004	20,961	49,847	6,044	24,507	14,917	25,339
Total overpayment.....	32,181,362	11,895,859	18,368,230	7,646,944	13,813,152	4,248,916	86,650	53,069	28,362	22,493	58,288	30,596
Overpayment refunded.....	31,604,793	11,372,300	18,179,795	7,420,455	13,424,988	3,951,844	85,471	50,563	28,282	22,017	57,189	28,546

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

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

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

Table 1.3 — All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income — Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Table with 17 columns: Sales of capital assets reported on Schedule D—Continued, Net long-term capital gain in excess of net short-term capital loss, Net capital gain, Net capital loss. Rows include All returns, total; Taxable returns, total; and Total nontaxable returns. Sub-rows show income brackets from \$1 under \$1,000 to \$20,000 or more.

Footnote(s) at end of table.

Table 1.3 — All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income — Continued

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

Table with columns for Partnership (Total income, Total loss, Additional first-year depreciation, Net profit, Net loss) and Estate or trust (Total income, Total loss). Rows include income brackets from 'All returns, total' to '\$20,000 or more'.

Footnote(s) at end of table.

Individual Returns/1979 • Returns Filed and Sources of Income

Individual Returns/1979 • Returns Filed and Sources of Income

Table 1.4 — Nontaxable Returns: Sources of Income, Itemized Deductions, and Tax Items, by Size of Adjusted Gross Income and Deficit

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

Table with 11 columns: Size of adjusted gross income or deficit, Number of returns, Adjusted gross income less deficit, Salaries and wages (Number of returns, Amount), Total net profit from business activities (Number of returns, Amount), Total net loss from business activities (Number of returns, Amount), Sales of property net gain (Number of returns, Amount). Rows include Grand total, Returns with adjusted gross income (total and by brackets), and Returns with deficit (total and by brackets).

*Estimate should be used with caution because of the small number of sample returns on which it is based.
†Data combined to avoid disclosure of information for specific taxpayers.
‡Consists of business and profession, farm, partnership, and Small Business Corporation net gain (loss).
§Consists of gain (loss) from sales of capital assets and gain (loss) from sales of property other than capital assets.
NOTE: Detail may not add to total because of rounding.

Table 1.6 — Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns	Adjusted gross income	Salaries and wages		Domestic and foreign dividends received						Interest received	
			Number of returns	Amount	Total		Exclusion		Dividends in adjusted gross income		Number of returns	Amount
					Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total	37,634,508	298,655,892	37,593,750	297,386,747	749,907	112,944	600,614	44,703	405,034	68,241	8,912,209	1,102,440
Under \$1,000	2,666,864	1,541,268	2,638,801	1,510,691	38,455	6,706	36,524	2,496	*15,777	*4,210	323,087	25,918
\$1,000 under \$2,000	3,580,183	5,370,826	3,578,199	5,292,287	60,598	10,363	56,541	3,925	28,218	6,438	744,459	71,102
\$2,000 under \$3,000	3,356,413	8,306,205	3,354,340	8,207,270	60,583	12,891	50,794	3,501	34,271	9,391	781,426	86,230
\$3,000 under \$4,000	2,806,307	9,820,859	2,806,307	9,771,113	36,910	3,564	36,910	1,791	22,610	1,773	556,892	46,712
\$4,000 under \$5,000	2,432,941	10,913,806	2,429,018	10,821,737	*18,274	*12,892	*14,004	*1,156	*10,090	*11,736	486,094	62,956
\$5,000 under \$6,000	2,504,475	13,829,118	2,504,475	13,769,834	28,908	3,086	24,744	1,876	*16,269	*1,210	448,911	56,637
\$6,000 under \$7,000	2,565,672	16,640,824	2,563,602	16,575,613	29,911	4,843	*17,943	*1,531	*17,984	*3,312	465,598	60,637
\$7,000 under \$8,000	2,320,410	17,387,922	2,320,410	17,324,193	32,079	2,371	32,079	1,408	20,267	963	482,287	48,237
\$8,000 under \$9,000	2,069,585	17,563,965	2,069,585	17,516,709	44,161	4,536	28,209	1,526	26,148	3,010	386,972	39,419
\$9,000 under \$10,000	1,887,553	17,900,256	1,885,572	17,826,951	42,832	7,539	28,456	1,974	24,242	5,565	479,377	67,075
\$10,000 under \$11,000	1,559,361	16,357,849	1,559,361	16,306,324	18,584	1,623	13,746	637	*9,113	*986	413,984	48,501
\$11,000 under \$12,000	1,404,083	16,120,730	1,404,083	16,076,345	22,236	2,346	18,540	1,137	*9,325	*1,209	364,836	42,291
\$12,000 under \$13,000	1,241,294	15,497,956	1,241,294	15,454,009	32,763	3,742	22,772	1,436	20,989	2,306	350,146	40,122
\$13,000 under \$14,000	1,097,837	14,805,582	1,097,837	14,760,243	31,099	3,610	25,635	1,961	20,125	1,649	353,066	39,402
\$14,000 under \$15,000	960,516	13,929,952	960,516	13,879,416	30,542	4,177	24,059	1,743	18,921	2,434	300,323	45,420
\$15,000 under \$20,000	3,298,457	56,894,286	3,298,457	56,734,276	116,719	15,365	94,942	8,420	66,769	6,944	1,150,989	149,286
\$20,000 under \$25,000	1,245,056	27,535,718	1,245,056	27,445,525	60,524	6,428	54,111	4,308	21,961	2,120	497,229	80,199
\$25,000 under \$30,000	471,600	12,768,106	471,600	12,699,236	29,084	3,674	22,833	2,284	15,729	1,390	233,785	49,711
\$30,000 or more	165,901	5,470,665	165,237	5,414,976	15,645	3,189	14,200	1,593	6,226	1,596	92,748	42,586
Taxable returns, total	24,232,359	263,465,476	24,225,791	262,495,955	551,396	65,225	426,192	32,273	302,505	32,952	6,623,883	846,391
Under \$1,000	—	—	—	—	—	—	—	—	—	—	—	—
\$1,000 under \$2,000	—	—	—	—	—	—	—	—	—	—	—	—
\$2,000 under \$3,000	28,461	81,989	28,461	77,165	—	—	—	—	—	—	*6,176	*3,622
\$3,000 under \$4,000	1,544,649	5,598,769	1,544,649	5,574,168	*18,692	*1,469	*16,669	*938	*8,424	*531	338,974	23,157
\$4,000 under \$5,000	1,807,650	8,105,259	1,803,727	8,035,765	*8,023	*346	*5,852	*322	*3,984	*24	419,704	52,093
\$5,000 under \$6,000	1,889,391	10,444,239	1,889,391	10,403,615	24,569	2,651	20,405	1,674	*14,421	*977	395,840	38,210
\$6,000 under \$7,000	1,961,219	12,744,708	1,961,219	12,701,983	23,844	2,160	21,861	*911	*15,861	*1,249	400,790	40,214
\$7,000 under \$8,000	1,872,179	14,031,562	1,872,179	13,970,672	32,079	2,371	23,887	1,408	20,267	963	456,701	46,220
\$8,000 under \$9,000	1,868,964	15,884,655	1,868,964	15,841,854	44,161	4,536	28,209	1,526	26,148	3,010	371,186	38,520
\$9,000 under \$10,000	1,838,775	17,442,331	1,836,794	17,369,262	42,832	7,539	28,456	1,974	24,242	5,565	477,406	66,838
\$10,000 under \$11,000	1,543,142	16,189,397	1,543,142	16,137,872	18,584	1,623	13,746	637	*9,113	*986	413,984	48,501
\$11,000 under \$12,000	1,399,371	16,066,948	1,399,371	16,022,563	22,236	2,346	18,540	1,137	*9,325	*1,209	364,836	42,291
\$12,000 under \$13,000	1,239,191	15,471,310	1,239,191	15,427,364	32,763	3,742	22,772	1,436	20,989	2,306	350,146	40,122
\$13,000 under \$14,000	1,097,837	14,805,582	1,097,837	14,760,243	31,099	3,610	25,635	1,961	20,125	1,649	353,066	39,402
\$14,000 under \$15,000	960,516	13,929,952	960,516	13,879,416	30,542	4,177	24,059	1,743	18,921	2,434	300,323	45,420
\$15,000 under \$20,000	3,298,457	56,894,286	3,298,457	56,734,276	116,719	15,365	94,942	8,420	66,769	6,944	1,150,989	149,286
\$20,000 under \$25,000	1,245,056	27,535,718	1,245,056	27,445,525	60,524	6,428	54,111	4,308	21,961	2,120	497,229	80,199
\$25,000 under \$30,000	471,600	12,768,106	471,600	12,699,236	29,084	3,674	22,833	2,284	15,729	1,390	233,785	49,711
\$30,000 or more	165,901	5,470,665	165,237	5,414,976	15,645	3,189	14,200	1,593	6,226	1,596	92,748	42,586
Total nontaxable returns	13,402,149	35,190,417	13,367,959	34,890,792	198,511	47,719	174,422	12,431	102,529	35,289	2,288,326	256,049
All returns, summary:												
Under \$5,000	14,842,708	35,952,964	14,806,665	35,603,097	214,820	46,416	186,537	12,869	110,966	33,547	2,891,958	292,918
\$5,000 under \$10,000	11,347,695	83,322,085	11,343,644	83,013,299	177,891	22,374	123,239	8,314	104,910	14,060	2,263,145	272,004
\$10,000 under \$15,000	6,263,091	76,712,069	6,263,091	76,476,337	135,224	15,499	104,752	6,915	78,473	8,584	1,782,355	215,736
\$15,000 or more	5,181,014	102,668,774	5,180,350	102,294,014	221,972	28,655	186,086	16,605	110,685	12,050	1,974,751	321,782

Footnote(s) at end of table.

Table 1.6 — Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Political contributions credit		Earned income credit								Income tax after credits	
	Number of returns	Amount	Total		Used to offset income tax before credits		Refundable portion				Number of returns	Amount
			Number of returns	Amount	Number of returns	Amount	Total		Wholly refundable earned income credit			
							Number of returns	Amount	Number of returns	Amount		
(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	
All returns, total	942,982	46,417	4,529,547	1,358,040	2,269,089	341,918	3,443,808	1,016,122	2,260,458	723,836	24,232,359	28,308,794
Under \$1,000.....	—	—	153,741	8,946	—	—	153,741	8,946	153,741	8,946	—	—
\$1,000 under \$2,000.....	—	—	265,572	40,316	—	—	265,572	40,316	265,572	40,316	—	—
\$2,000 under \$3,000.....	—	—	361,428	88,558	—	—	361,428	88,558	361,428	88,558	28,461	586
\$3,000 under \$4,000.....	*17,788	*557	409,658	144,462	*13,783	*711	409,658	143,751	395,895	139,433	1,544,649	72,887
\$4,000 under \$5,000.....	41,428	1,367	458,155	204,988	136,162	8,061	458,155	196,927	321,993	142,310	1,807,650	300,093
\$5,000 under \$6,000.....	49,046	1,846	533,840	265,707	277,261	43,358	531,857	222,350	256,579	128,199	1,889,391	608,838
\$6,000 under \$7,000.....	67,743	2,680	585,181	257,079	342,222	66,240	571,642	190,839	242,959	109,598	1,961,219	933,435
\$7,000 under \$8,000.....	81,127	3,261	644,365	200,719	495,560	105,297	444,080	95,422	148,805	47,522	1,872,179	1,113,825
\$8,000 under \$9,000.....	87,459	3,808	591,926	112,412	508,956	86,309	198,897	26,103	82,970	16,616	1,868,964	1,327,483
\$9,000 under \$10,000.....	50,985	2,452	525,681	34,854	495,165	31,944	48,778	2,911	30,516	2,339	1,838,775	1,572,788
\$10,000 under \$11,000.....	65,675	2,852	—	—	—	—	—	—	—	—	1,543,142	1,598,127
\$11,000 under \$12,000.....	45,155	1,755	—	—	—	—	—	—	—	—	1,399,371	1,671,846
\$12,000 under \$13,000.....	62,907	2,740	—	—	—	—	—	—	—	—	1,239,191	1,684,029
\$13,000 under \$14,000.....	42,590	1,741	—	—	—	—	—	—	—	—	1,097,837	1,676,840
\$14,000 under \$15,000.....	50,807	3,001	—	—	—	—	—	—	—	—	960,516	1,654,449
\$15,000 under \$20,000.....	166,067	9,502	—	—	—	—	—	—	—	—	3,298,457	7,409,474
\$20,000 under \$25,000.....	68,887	5,226	—	—	—	—	—	—	—	—	1,245,056	3,649,169
\$25,000 under \$30,000.....	33,193	2,531	—	—	—	—	—	—	—	—	471,600	1,999,696
\$30,000 or more.....	12,125	1,097	—	—	—	—	—	—	—	—	165,901	1,035,229
Taxable returns, total	898,984	44,557	1,085,739	169,117	1,085,739	169,117	—	—	—	—	24,232,359	28,308,794
Under \$1,000.....	—	—	—	—	—	—	—	—	—	—	—	—
\$1,000 under \$2,000.....	—	—	—	—	—	—	—	—	—	—	—	—
\$2,000 under \$3,000.....	—	—	—	—	—	—	—	—	—	—	28,461	586
\$3,000 under \$4,000.....	*13,873	*446	—	—	—	—	—	—	—	—	1,544,649	72,887
\$4,000 under \$5,000.....	39,356	1,364	—	—	—	—	—	—	—	—	1,807,650	300,093
\$5,000 under \$6,000.....	46,976	1,743	*1,983	*410	*1,983	*410	—	—	—	—	1,889,391	608,838
\$6,000 under \$7,000.....	59,697	2,422	*13,539	*4,322	*13,539	*4,322	—	—	—	—	1,961,219	933,435
\$7,000 under \$8,000.....	67,087	2,764	200,285	61,511	200,285	61,511	—	—	—	—	1,872,179	1,113,825
\$8,000 under \$9,000.....	75,726	3,077	393,029	71,780	393,029	71,780	—	—	—	—	1,868,964	1,327,483
\$9,000 under \$10,000.....	48,863	2,295	476,903	31,094	476,903	31,094	—	—	—	—	1,838,775	1,572,788
\$10,000 under \$11,000.....	65,675	2,852	—	—	—	—	—	—	—	—	1,543,142	1,598,127
\$11,000 under \$12,000.....	45,155	1,755	—	—	—	—	—	—	—	—	1,399,371	1,671,846
\$12,000 under \$13,000.....	62,907	2,740	—	—	—	—	—	—	—	—	1,239,191	1,684,029
\$13,000 under \$14,000.....	42,590	1,741	—	—	—	—	—	—	—	—	1,097,837	1,676,840
\$14,000 under \$15,000.....	50,807	3,001	—	—	—	—	—	—	—	—	960,516	1,654,449
\$15,000 under \$20,000.....	166,067	9,502	—	—	—	—	—	—	—	—	3,298,457	7,409,474
\$20,000 under \$25,000.....	68,887	5,226	—	—	—	—	—	—	—	—	1,245,056	3,649,169
\$25,000 under \$30,000.....	33,193	2,531	—	—	—	—	—	—	—	—	471,600	1,999,696
\$30,000 or more.....	12,125	1,097	—	—	—	—	—	—	—	—	165,901	1,035,229
Total nontaxable returns	43,998	1,860	3,443,808	1,188,923	1,183,350	172,801	3,443,808	1,016,122	2,260,458	723,836	—	—
All returns, summary:												
Under \$5,000.....	59,216	1,924	1,648,554	487,269	149,925	8,771	1,648,554	478,497	1,498,629	419,562	3,380,760	373,566
\$5,000 under \$10,000.....	336,360	14,048	2,880,993	870,771	2,119,164	333,147	1,795,254	537,624	761,829	304,274	9,430,528	5,556,369
\$10,000 under \$15,000.....	267,134	12,089	—	—	—	—	—	—	—	—	6,240,057	8,285,291
\$15,000 or more.....	280,272	18,356	—	—	—	—	—	—	—	—	5,181,014	14,093,568

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*Norman Waits was responsible for the review and analysis of the data in this section. He was assisted by Elnora Mason.

Introduction

Data presented in this section cover deductions from adjusted gross income. These deductions were used to arrive at taxable income and included the \$1,000 allowed for each personal exemption.

Table 2A highlights changes from 1978 to 1979 in the form of deduction used. Returns with itemized deductions increased from 25.8 million for 1978 to 26.5 million for 1979. There was also a slight increase in the number of returns with a "zero bracket amount only," from 59.7 million to 60.7 million.

The basic tables in this section cover the following topics. Data for the major categories of itemized deductions are shown in table 2.1, classified by size of adjusted gross income. Information on the sources of income on returns with itemized deductions, classified by sex and marital status, are presented in table 2.2. Data for the types of itemized deductions, classified by size of adjusted gross income, can be found in tables 2.3 through 2.7. The characteristics of returns related to the types of exemption, number of exemptions, and sources of income, classified by size of adjusted gross income, are available in table 2.8. Detailed information on the exemptions claimed for taxpayers and dependents, classified by marital status, is shown in table 2.9.

Itemized Deductions

Generally, taxpayers could itemize their deductions only if the total exceeded the "zero bracket amount" (exceptions to this rule are discussed below). The major types of itemized deductions which could be claimed were taxes (for example, real estate and State and local income taxes), medical expenses, interest expenses, charitable contributions, and certain "miscellaneous" deductions. Two types of itemized deductions were no longer available for 1979: the deduction for political contributions and the deduction for nonbusiness State and local gasoline taxes. These two changes, along with the increased zero bracket amount (see section 3), no doubt contributed to the relatively small increase in returns with itemized deductions, reflected in table 2A.

Individual Returns/1979 • Deductions and Exemptions

Table 2A.--Form of Deduction and Size of Adjusted Gross Income, 1978 and 1979

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

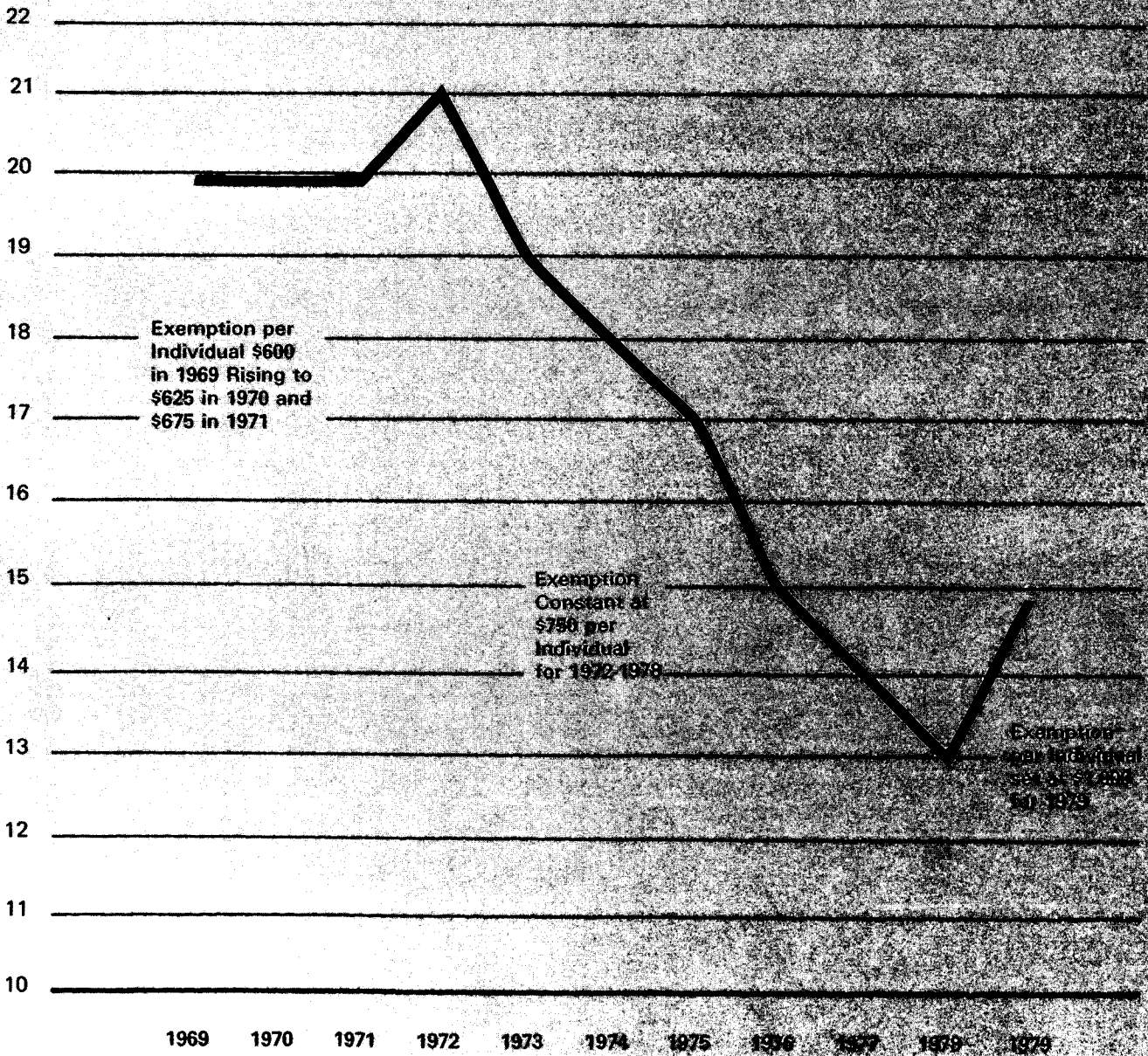
Form of deduction and size of adjusted gross income	Number of returns			Adjusted gross income less deficit			Average adjusted gross income less deficit (Dollars)		
	1978	1979	Change, 1978 to 1979	1978	1979	Change, 1978 to 1979	1978	1979	Change, 1978 to 1979
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All Returns									
Total.....	89,771,551	92,694,302	2,922,751	1,302,447,386	1,465,394,530	162,947,144	14,508	15,808	1,300
Under \$5,000.....	22,236,197	20,863,567	-1,372,630	47,581,705	42,493,093	-5,088,612	2,139	2,036	-103
\$5,000 under \$10,000.....	19,585,276	19,664,858	79,582	143,810,537	145,712,572	1,902,035	7,342	7,409	67
\$10,000 under \$15,000.....	14,241,599	14,433,255	191,656	176,530,628	178,809,257	2,278,630	12,395	12,388	-7
\$15,000 under \$20,000.....	11,408,934	11,385,151	-23,783	198,794,563	198,510,919	-283,644	17,424	17,435	11
\$20,000 or more.....	22,299,545	26,347,471	4,047,926	735,729,954	899,868,690	164,138,736	32,993	34,153	1,160
Returns With--									
Itemized deductions									
Total.....	25,756,298	26,483,877	727,579	708,460,175	796,072,911	87,612,736	27,506	30,058	2,552
Under \$5,000.....	438,096	418,675	-19,421	1,262,033	1,265,842	3,809	2,880	3,023	143
\$5,000 under \$10,000.....	1,577,463	1,303,394	-274,069	12,497,180	10,213,104	-2,284,076	7,922	7,835	-87
\$10,000 under \$15,000.....	2,855,845	2,612,111	-243,734	36,202,597	33,211,190	-2,991,407	12,676	12,714	38
\$15,000 under \$20,000.....	4,550,191	3,883,697	-666,494	80,308,615	68,470,170	-11,838,445	17,649	17,630	-19
\$20,000 or more.....	16,334,708	18,266,000	1,931,292	578,189,751	682,912,606	104,722,855	35,396	37,387	1,991
Zero bracket amount only									
Total.....	59,717,131	60,718,980	1,001,849	597,699,822	672,159,722	74,459,900	10,008	11,070	1,062
Under \$5,000.....	17,513,193	15,073,125	-2,440,068	50,107,978	44,821,056	-5,286,922	2,861	2,973	112
\$5,000 under \$10,000.....	17,994,599	18,243,245	248,646	131,237,662	134,758,568	3,520,906	7,293	7,386	93
\$10,000 under \$15,000.....	11,385,754	11,819,685	433,931	140,328,031	145,583,264	5,255,234	12,324	12,317	-7
\$15,000 under \$20,000.....	6,858,743	7,501,454	642,711	118,485,948	130,060,749	11,574,801	17,275	17,335	60
\$20,000 or more.....	5,964,842	8,081,471	2,116,629	157,540,203	216,956,084	59,415,881	26,411	26,846	435
Neither itemized deductions nor zero bracket amount									
Total.....	4,298,122	5,491,445	1,193,323	-3,712,611	-2,838,103	874,508	-863	-516	347
Under \$5,000.....	4,284,908	5,371,767	1,086,859	-3,788,306	-3,593,806	194,500	-884	-669	215
\$5,000 or more.....	13,214	119,678	106,464	75,695	755,703	680,008	5,728	16,413	10,685

Form of deduction and size of adjusted gross income	Zero bracket amount			Total itemized deductions		
	1978	1979	Change, 1978 to 1979	1978	1979	Change, 1978 to 1979
	(10)	(11)	(12)	(13)	(14)	(15)
All Returns						
Total.....	215,787,307	230,610,133	14,822,825	164,432,406	184,168,669	19,736,262
Under \$5,000.....	27,648,302	22,942,136	-4,706,166	1,041,367	1,275,640	234,273
\$5,000 under \$10,000.....	47,692,344	48,065,732	373,388	6,506,052	5,725,580	-780,472
\$10,000 under \$15,000.....	38,467,028	39,818,829	1,351,801	12,920,692	12,360,072	-560,620
\$15,000 under \$20,000.....	33,133,224	34,124,050	990,826	22,481,420	19,913,782	-2,567,638
\$20,000 or more.....	68,846,408	85,659,386	16,812,977	121,482,875	144,893,594	23,410,719
Returns With--						
Itemized deductions						
Total.....	75,937,593	81,821,248	5,883,654	164,432,406	184,168,669	19,736,262
Under \$5,000.....	723,257	616,793	-106,464	1,041,367	1,275,640	234,273
\$5,000 under \$10,000.....	3,622,243	2,902,619	-719,625	6,506,052	5,725,580	-780,472
\$10,000 under \$15,000.....	7,678,489	7,154,969	-523,520	12,920,692	12,360,072	-560,620
\$15,000 under \$20,000.....	13,291,876	11,564,092	-1,727,783	22,481,420	19,913,782	-2,567,638
\$20,000 or more.....	50,621,729	59,582,775	8,961,046	121,482,875	144,893,594	23,410,719
Zero bracket amount only						
Total.....	139,849,714	148,788,886	8,939,171	-	-	-
Under \$5,000.....	26,925,045	22,325,344	-4,599,701	-	-	-
\$5,000 under \$10,000.....	44,070,101	45,163,113	1,093,012	-	-	-
\$10,000 under \$15,000.....	30,788,540	32,663,860	1,875,321	-	-	-
\$15,000 under \$20,000.....	19,841,349	22,559,958	2,718,609	-	-	-
\$20,000 or more.....	18,224,680	26,076,610	7,851,931	-	-	-
Neither itemized deductions nor zero bracket amount						
Total.....	-	-	-	-	-	-
Under \$5,000.....	-	-	-	-	-	-
\$5,000 or more.....	-	-	-	-	-	-

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

Figure 2A
Total Exemption Amount as a Percent of Adjusted Gross Income,
All Returns, 1969-1979

Percent



Year

Unused Zero Bracket Amount

Four groups of taxpayers were required to itemize their deductions, even if those deductions were less than the zero bracket amount. These groups were:

(1) certain married persons filing separate returns (if one spouse claimed itemized deductions, the other had to do so as well and, in some cases, this may have meant claiming no deductions where one spouse claimed all the deductions);

(2) dependents with unearned income, i.e., children with investment income who were being claimed as dependents on their parents' returns, but who were also filing on their own because they had unearned income of \$1,000 or more (while the law stipulated that the children had to itemize on their own returns, they were allowed to substitute their earned income for total itemized deductions if the former was the larger of the two);

(3) "dual-status" aliens, i.e., aliens who spent only part of the year in the United States; and,

(4) taxpayers with income from sources in U.S. possessions excluded from Federal income taxation.

Taxpayers in these four categories whose itemized deductions fell short of the zero bracket amount had to compute an "unused zero bracket amount," which equalled the amount of the shortfall. The "unused zero bracket amount" was added to adjusted gross income in the computation of taxable income, since the tax rate schedules which were applied to taxable income allowed for the full zero bracket amount.

Exemptions

In the computation of taxable income, each taxpayer was allowed one exemption of \$1,000 for himself or herself. On a joint return, husband and wife could each claim an exemption, even if only one had income. Additional \$1,000 exemptions could be claimed by both taxpayer and spouse for blindness or for having attained the age of 65. A married person filing a separate return, but whose spouse had no income and was not the dependent of another taxpayer, could also claim all the exemptions to which that spouse was entitled. In addition, one exemption could be claimed for each qualified dependent.

Figure 2A shows the total exemption amount for all returns as a percent of adjusted gross income, for the years 1969-1979. The exemption amount was \$600 for 1969 and increased as follows: \$625 (1970), \$675 (1971), \$750 (1972), and \$1,000 (1979). The graph illustrates that the percentage remained constant as the exemption amount per individual was increased for 1970, 1971, and 1972, but steadily declined when the amount remained at \$750 from 1973 through 1978. The trend was reversed when the exemption amount was raised to \$1,000 for 1979.

Individual Returns/1979 • Itemized Deductions and Exemptions

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Table 2.1 — Returns With Itemized Deductions: Deductions by Type and by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns	Adjusted gross income	Total itemized deductions	Medical and dental expense deduction		Taxes paid deduction		Interest paid deduction			
				Number of returns	Amount	Number of returns	Amount	Total		Home mortgage interest	
								Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
All returns, total	26,483,877	796,072,911	184,168,669	17,969,050	12,915,626	26,314,288	60,674,905	24,511,744	74,427,045	20,854,096	48,496,718
Under \$2,000	102,589	138,380	318,599	37,749	55,584	84,366	53,734	37,532	112,657	26,213	76,502
\$2,000 under \$4,000	201,975	610,563	642,925	91,150	134,738	147,239	88,934	83,523	205,715	68,846	122,342
\$4,000 under \$6,000	287,285	1,470,719	1,105,917	222,099	358,815	254,884	203,703	192,094	347,294	139,496	231,667
\$6,000 under \$8,000	493,365	3,487,401	2,395,817	381,053	614,424	475,330	392,698	370,294	718,742	268,548	488,552
\$8,000 under \$10,000	636,855	5,771,882	2,937,963	521,337	631,523	623,021	609,918	550,719	1,236,864	451,594	860,274
\$10,000 under \$12,000	885,342	9,774,482	4,127,038	715,004	914,175	873,900	887,826	761,795	1,568,861	597,116	1,059,111
\$12,000 under \$14,000	1,097,166	14,296,914	5,255,444	876,926	920,501	1,093,932	1,248,352	988,532	2,157,771	806,012	1,482,094
\$14,000 under \$16,000	1,319,514	19,832,195	6,425,721	970,338	812,758	1,316,396	1,648,803	1,237,222	2,707,699	977,821	1,896,757
\$16,000 under \$18,000	1,471,908	25,040,538	7,383,744	1,011,542	824,170	1,471,877	1,960,983	1,401,072	3,277,230	1,147,021	2,292,977
\$18,000 under \$20,000	1,721,878	32,737,230	9,081,907	1,200,494	774,855	1,717,285	2,596,050	1,626,050	4,062,740	1,385,107	2,659,777
\$20,000 under \$25,000	4,690,804	105,595,646	26,049,383	3,130,006	1,847,438	4,687,966	7,987,600	4,516,926	11,708,263	3,928,210	8,150,382
\$25,000 under \$30,000	4,233,594	115,960,861	26,064,439	2,799,466	1,540,727	4,230,580	6,690,603	4,047,053	11,347,851	3,547,512	7,839,513
\$30,000 under \$50,000	7,147,156	264,284,598	54,289,932	4,716,964	2,474,399	7,144,990	19,634,479	6,745,537	22,033,650	5,937,977	14,942,057
\$50,000 under \$100,000	1,757,749	114,915,094	22,441,638	1,074,697	746,930	1,756,596	8,806,574	1,578,716	8,805,055	1,303,395	4,809,786
\$100,000 under \$200,000	344,558	45,330,865	8,524,734	174,565	191,700	343,912	3,301,757	296,902	2,805,446	220,870	1,077,852
\$200,000 under \$500,000	78,750	22,263,609	4,321,818	38,936	61,690	78,648	1,546,529	66,555	1,257,273	42,323	255,232
\$500,000 under \$1,000,000	9,814	6,512,360	1,397,969	4,938	9,075	9,796	444,939	8,207	342,266	4,544	36,508
\$1,000,000 or more	3,575	8,049,572	1,804,245	1,786	2,123	3,570	571,422	3,015	330,669	1,491	15,336
Taxable returns, total	25,396,848	785,186,307	175,943,782	17,075,450	10,755,067	25,275,849	59,351,980	23,617,550	71,071,678	20,089,217	46,377,288
Under \$2,000	57,393	86,953	20,984	4,504	1,612	44,232	6,612	3,898	8,071	*659	*6,930
\$2,000 under \$4,000	99,750	281,661	76,956	6,971	3,215	54,365	11,317	8,982	7,801	*3,413	*2,320
\$4,000 under \$6,000	127,147	659,715	312,867	83,099	80,451	107,060	65,699	72,322	81,711	43,122	54,716
\$6,000 under \$8,000	275,946	1,967,740	896,608	207,766	214,958	266,793	186,631	191,632	270,943	117,068	162,404
\$8,000 under \$10,000	451,298	4,117,569	1,712,848	360,620	298,705	444,846	398,166	383,460	707,313	305,872	507,809
\$10,000 under \$12,000	765,500	8,467,135	3,142,996	607,785	582,598	758,999	744,291	664,292	1,184,574	513,081	815,860
\$12,000 under \$14,000	1,027,456	13,393,542	4,588,648	815,887	693,374	1,024,222	1,147,495	933,230	1,902,763	757,536	1,317,171
\$14,000 under \$16,000	1,282,030	19,267,327	6,023,390	939,627	725,295	1,278,912	1,588,737	1,203,527	2,538,469	947,781	1,774,046
\$16,000 under \$18,000	1,428,399	24,299,307	6,939,690	976,705	737,106	1,428,368	1,889,865	1,361,495	3,061,969	1,109,068	2,135,665
\$18,000 under \$20,000	1,701,895	32,357,687	8,851,840	1,186,880	735,994	1,687,302	2,559,292	1,609,580	3,963,760	1,369,319	2,796,697
\$20,000 under \$25,000	4,659,528	104,904,193	25,733,785	3,107,127	1,810,407	4,656,883	7,926,998	4,491,906	11,549,162	3,906,454	8,058,846
\$25,000 under \$30,000	4,208,546	115,279,635	25,665,254	2,783,072	1,464,251	4,205,532	8,625,845	4,022,503	11,138,296	3,526,729	7,719,981
\$30,000 under \$50,000	7,123,514	263,445,644	53,755,813	4,704,059	2,427,154	7,121,508	19,559,814	6,722,943	21,809,632	5,920,307	14,854,972
\$50,000 under \$100,000	1,752,247	114,576,720	22,223,103	1,071,456	715,995	1,751,333	8,781,061	1,573,591	8,121,628	1,299,856	4,787,545
\$100,000 under \$200,000	344,114	45,274,253	8,487,925	174,258	191,469	343,531	3,298,425	296,458	2,800,422	220,623	1,075,603
\$200,000 under \$500,000	78,703	22,250,247	4,310,450	38,912	61,284	78,604	1,545,458	66,515	1,252,569	42,297	254,924
\$500,000 under \$1,000,000	9,808	6,508,656	1,396,884	4,937	9,075	9,790	444,915	8,202	342,265	4,542	36,496
\$1,000,000 or more	3,574	8,048,322	1,803,740	1,785	2,123	3,569	571,359	3,014	330,330	1,490	15,304
Total nontaxable returns	1,087,029	10,886,604	8,224,887	893,600	2,160,559	1,038,439	1,322,924	894,194	3,355,367	764,879	2,119,430
All returns, summary:											
Under \$5,000	418,675	1,265,842	1,275,640	211,758	307,432	327,419	219,449	193,196	462,611	148,782	290,218
\$5,000 under \$10,000	1,303,394	10,213,104	5,725,580	1,041,630	1,487,652	1,257,421	1,129,538	1,040,966	2,158,662	805,915	1,489,120
\$10,000 under \$15,000	2,612,111	33,211,190	12,360,072	2,061,903	2,236,593	2,595,709	2,902,219	2,343,840	4,959,251	1,875,794	3,408,428
\$15,000 under \$20,000	3,883,697	68,470,170	19,913,782	2,712,401	2,009,867	3,877,681	5,439,794	3,670,831	8,815,049	3,037,283	6,182,287
\$20,000 or more	18,266,000	682,912,606	144,893,594	11,941,358	6,874,081	18,256,058	50,983,904	17,262,911	58,031,472	14,986,322	37,126,666

Footnote(s) at end of table.

Individual Returns/1979 • Itemized Deductions and Exemptions

Table 2.1 — Returns With Itemized Deductions: Deductions by Type and by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Contributions deduction		Miscellaneous deductions				Excess itemized deductions		Unused zero bracket amount	
	Number of returns	Amount	Total		Net casualty or theft loss		Number of returns	Amount	Number of returns	Amount
			Number of returns	Amount	Number of returns	Amount				
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
All returns, total.....	24,556,366	22,210,838	22,291,213	13,940,255	2,588,233	2,799,122	26,189,094	101,420,619	291,788	443,727
Under \$2,000.....	43,524	17,593	37,795	79,030	*1,043	*1,875	37,226	192,772	65,363	134,224
\$2,000 under \$4,000.....	93,738	45,376	120,008	68,163	8,534	6,048	95,732	212,082	106,243	169,860
\$4,000 under \$6,000.....	208,397	104,118	194,532	91,988	24,592	19,568	239,482	444,456	*47,803	54,471
\$6,000 under \$8,000.....	413,018	221,134	354,284	148,818	30,477	37,765	468,910	836,629	24,455	31,700
\$8,000 under \$10,000.....	535,225	274,601	484,065	185,057	42,408	51,172	621,449	1,208,445	15,406	19,054
\$10,000 under \$12,000.....	778,448	444,211	680,243	311,965	95,619	106,750	874,652	1,712,485	9,186	14,260
\$12,000 under \$14,000.....	986,531	561,709	857,320	367,112	85,126	98,651	1,095,040	2,123,857	*2,126	*1,735
\$14,000 under \$16,000.....	1,202,162	696,110	1,109,139	560,351	127,205	157,814	1,312,576	2,613,382	*6,938	*5,766
\$16,000 under \$18,000.....	1,339,688	744,006	1,259,384	577,355	129,781	121,952	1,468,565	3,021,251	*3,343	*2,765
\$18,000 under \$20,000.....	1,585,416	931,483	1,456,779	716,779	150,025	174,825	1,720,014	3,820,108	*1,864	*2,965
\$20,000 under \$25,000.....	4,353,145	2,546,476	4,025,070	1,959,607	451,604	340,317	4,687,980	11,162,448	*1,333	*630
\$25,000 under \$30,000.....	3,982,071	2,602,850	3,680,033	1,882,408	381,787	302,794	4,230,406	12,252,776	*3,188	*1,852
\$30,000 under \$50,000.....	6,905,666	6,103,199	6,236,272	4,044,206	780,399	795,216	7,143,240	30,578,124	*3,916	*3,960
\$50,000 under \$100,000.....	1,704,606	3,050,644	1,439,643	1,632,435	222,974	349,234	1,757,265	16,630,418	*484	*373
\$100,000 under \$200,000.....	334,727	1,528,171	279,679	697,096	43,850	165,359	344,442	7,388,309	*116	*91
\$200,000 under \$500,000.....	76,913	1,095,449	65,413	1,068,877	10,689	49,627	78,730	4,063,870	**21	**18
\$500,000 under \$1,000,000.....	9,586	478,386	8,417	122,302	1,527	10,390	9,813	1,366,366	**	**
\$1,000,000 or more.....	3,505	765,323	3,137	134,708	591	9,764	3,572	1,792,842	3	3
Taxable returns, total.....	23,673,804	21,533,226	21,585,464	13,231,831	2,517,154	2,444,932	25,134,253	96,403,592	259,600	407,630
Under \$2,000.....	11,833	624	17,942	4,065	—	—	684	8,988	56,709	120,522
\$2,000 under \$4,000.....	16,504	3,155	60,105	51,469	*1,537	*1,453	8,563	3,595	91,187	154,810
\$4,000 under \$6,000.....	89,968	33,240	92,812	51,766	9,782	8,422	86,720	72,675	40,427	47,643
\$6,000 under \$8,000.....	233,571	122,557	214,128	101,519	22,951	30,386	252,593	262,783	23,353	31,182
\$8,000 under \$10,000.....	381,838	180,166	362,901	128,499	35,596	33,307	435,892	566,175	15,406	19,054
\$10,000 under \$12,000.....	681,989	380,502	590,949	251,030	86,470	75,925	754,810	1,097,539	9,186	14,260
\$12,000 under \$14,000.....	926,613	507,292	813,807	337,724	82,123	85,418	1,025,330	1,683,843	*2,126	*1,735
\$14,000 under \$16,000.....	1,168,047	640,667	1,083,112	530,222	123,008	141,838	1,275,092	2,331,250	*6,938	*5,766
\$16,000 under \$18,000.....	1,301,092	706,058	1,229,170	544,693	126,636	108,658	1,425,056	2,720,036	*3,343	*2,765
\$18,000 under \$20,000.....	1,567,085	908,501	1,442,806	684,293	145,255	147,416	1,700,031	3,657,237	*1,864	*2,965
\$20,000 under \$25,000.....	4,325,511	2,512,301	4,005,520	1,934,916	449,090	325,070	4,656,704	10,950,260	*1,333	*630
\$25,000 under \$30,000.....	3,962,251	2,582,770	3,662,479	1,854,092	379,798	293,667	4,205,358	11,933,828	*3,188	*1,852
\$30,000 under \$50,000.....	6,883,479	6,057,425	6,217,940	3,901,788	776,450	688,732	7,119,598	30,121,589	*3,916	*3,960
\$50,000 under \$100,000.....	1,699,784	3,032,946	1,435,531	1,571,474	221,945	297,920	1,751,763	16,429,989	*484	*373
\$100,000 under \$200,000.....	334,283	1,526,775	279,338	670,833	43,716	139,840	343,998	7,353,513	*116	*91
\$200,000 under \$500,000.....	76,871	1,094,590	65,373	356,548	10,679	46,725	78,683	4,052,653	**21	**18
\$500,000 under \$1,000,000.....	9,581	478,341	8,415	122,289	1,527	10,390	9,807	1,365,300	**	**
\$1,000,000 or more.....	3,504	765,317	3,136	134,611	591	9,764	3,571	1,792,340	3	3
Total nontaxable returns.....	882,562	677,612	705,749	708,424	71,079	354,190	1,054,841	5,017,027	32,188	36,097
All returns, summary:										
Under \$5,000.....	200,548	97,332	228,625	188,815	19,390	12,214	216,291	568,741	202,384	338,812
\$5,000 under \$10,000.....	1,093,354	565,489	962,059	384,239	87,664	104,214	1,246,508	2,325,642	56,886	70,497
\$10,000 under \$15,000.....	2,339,591	1,337,485	2,068,127	924,523	240,131	263,704	2,594,930	4,997,983	15,677	18,720
\$15,000 under \$20,000.....	3,552,654	2,040,033	3,294,738	1,609,038	347,625	396,289	3,875,917	8,293,100	*7,780	*8,771
\$20,000 or more.....	17,370,219	18,170,499	15,737,664	10,833,638	1,893,423	2,022,701	18,255,448	85,235,153	9,061	6,928

*Estimate should be used with caution because of the small number of sample returns on which it is based.
 **Data combined to avoid disclosure of information for specific taxpayers.
 NOTE: Detail may not add to total because of rounding.

Table 2.2 — Returns With Itemized Deductions: Sources of Income by Sex and Marital Status — Continued

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

Item	Returns of single persons						Returns of surviving spouses					
	Total		Filed by men†		Filed by women		Total		Filed by men		Filed by women	
	Number of returns (17)	Amount (18)	Number of returns (19)	Amount (20)	Number of returns (21)	Amount (22)	Number of returns (23)	Amount (24)	Number of returns (25)	Amount (26)	Number of returns (27)	Amount (28)
Adjusted gross income less deficit.....	3,914,262	81,229,015	2,090,721	46,707,985	1,823,541	34,521,030	32,830	843,404	10,558	402,169	22,272	441,235
Salaries and wages.....	2,972,873	55,099,935	1,783,113	37,476,871	1,189,760	17,623,064	26,404	477,572	9,624	263,011	16,780	214,562
Business and profession:												
Net profit.....	229,369	3,196,923	158,719	2,452,698	70,650	744,225	2,839	49,410	1,551	36,119	1,288	13,291
Net loss.....	101,741	438,775	65,765	350,220	35,976	88,556	943	5,104	*356	*3,555	*587	*1,549
Farm:												
Net profit.....	18,920	219,459	14,153	161,055	4,767	58,404	*68	*355	*68	*355	—	—
Net loss.....	17,575	154,321	10,915	106,896	6,680	47,425	436	4,473	*232	*3,165	*204	*1,308
Partnership:												
Net profit.....	131,704	1,449,720	70,062	1,005,844	61,642	443,876	802	29,008	211	17,343	*591	*11,665
Net loss.....	111,383	750,977	73,600	584,164	37,783	166,813	730	5,546	364	3,936	*366	*1,611
Small Business Corporation:												
Net profit.....	37,737	451,534	24,191	273,646	13,546	177,888	*267	*8,403	*52	*2,049	*215	*6,358
Net loss.....	23,571	209,107	16,938	150,609	6,633	58,498	*1,569	*3,486	*1,494	*3,435	*75	*51
Sales of capital assets:												
Net gain.....	636,339	3,741,776	293,263	1,883,173	343,076	1,858,602	5,462	38,864	2,465	22,097	2,997	16,767
Net loss.....	255,461	389,981	130,210	203,156	125,251	186,824	2,652	4,151	739	834	*1,913	*3,317
Sales of property other than capital assets:												
Net gain.....	29,597	101,390	20,154	72,828	9,443	28,562	275	1,387	*82	*286	*183	*1,101
Net loss.....	20,551	105,180	13,718	96,131	6,833	9,049	*53	*173	†	†	†	†
Dividends in adjusted gross income.....	1,142,786	7,184,896	450,688	2,381,182	692,098	4,803,714	8,822	40,693	2,550	31,244	6,272	9,449
Interest received.....	3,043,489	8,112,290	1,497,071	2,673,611	1,546,418	5,438,679	27,428	105,262	8,906	22,642	18,522	82,620
Pensions and annuities in adjusted gross income.....	496,577	2,718,606	141,111	889,897	355,466	1,828,710	8,756	70,987	*1,676	*18,148	*7,080	*52,839
Rent:												
Net income.....	288,620	1,258,130	115,708	405,433	172,912	852,696	4,286	34,295	1,668	3,031	2,618	31,264
Net loss.....	312,056	998,673	192,204	723,341	119,852	275,332	5,772	13,156	.825	3,472	4,947	9,684
Royalty:												
Net income.....	53,685	507,521	15,352	133,658	38,333	373,863	293	3,831	*215	*499	*78	*3,331
Net loss.....	6,264	17,578	3,144	13,065	3,120	4,513	*190	*185	*12	*182	*178	*3
Estate or trust:												
Net income.....	186,469	1,281,489	47,015	247,115	139,454	1,034,374	382	14,959	*74	*249	*308	*14,710
Net loss.....	7,893	35,483	3,706	21,091	4,187	14,392	*11	*9	*11	*9	—	—
State income tax refunds.....	961,868	298,943	541,748	188,426	420,120	110,518	12,888	4,127	4,894	1,500	7,994	2,626
Alimony received.....	45,435	281,825	*2,682	*6,217	42,753	275,607	—	—	—	—	—	—
Unemployment compensation in adjusted gross income.....	50,232	33,488	45,100	29,896	5,132	3,592	—	—	—	—	—	—
Other income less loss.....	224,067	240,032	126,690	157,979	97,377	82,053	3,452	8,698	1,074	8,406	*2,378	*292
Total statutory adjustments.....	825,445	1,848,867	562,253	1,482,871	263,192	365,996	5,191	8,163	1,401	6,157	3,790	2,005
Total itemized deductions.....	3,914,262	20,700,335	2,090,721	11,409,130	1,823,541	9,291,205	32,830	307,674	10,558	90,468	22,272	217,207
Excess itemized deductions.....	3,671,442	12,112,040	1,948,208	6,837,508	1,723,234	5,274,532	32,830	196,071	10,558	54,590	22,272	141,482
Taxable income.....	3,833,403	64,755,649	2,062,129	37,535,385	1,771,274	27,220,264	32,165	601,923	10,558	308,742	21,607	293,181
Income tax after credits.....	3,678,021	15,408,190	2,000,801	8,929,683	1,677,220	6,478,507	24,906	130,422	10,017	79,896	14,889	50,527
Total income tax.....	3,683,569	15,534,644	2,005,191	9,014,593	1,678,378	6,520,052	24,908	132,729	10,019	80,659	14,898	52,071
Total tax liability.....	3,710,663	15,771,118	2,026,391	9,192,235	1,684,272	6,578,883	24,973	135,331	10,075	82,160	14,898	53,171
Earned income credit, total.....	—	—	—	—	—	—	5,339	*1,302	*530	*247	*4,809	*1,055
Taxpayments:												
Total.....	3,529,831	16,244,098	1,934,096	9,947,311	1,595,735	6,296,787	27,855	118,419	10,435	69,999	17,420	48,421
Income tax withheld.....	2,920,269	11,474,705	1,731,840	7,975,302	1,229,290	3,499,403	25,467	83,140	9,647	69,999	15,820	33,469
Advance earned income credit payments.....	—	—	—	—	—	—	—	—	—	—	—	—
Tax due at time of filing.....	1,129,883	2,543,438	528,369	1,238,510	601,514	1,304,928	11,334	36,123	3,070	20,200	8,264	15,923
Total overpayment.....	2,666,456	3,016,852	1,532,784	1,993,587	1,133,672	1,023,266	18,937	20,257	7,488	8,281	11,449	11,976
Overpayment refunded.....	2,436,992	2,648,002	1,467,278	1,838,650	969,714	809,353	18,433	17,799	7,408	7,804	11,025	9,996

* Estimate should be used with caution because of the small number of sample returns on which it is based.
 † Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
 NOTE: Detail may not add to total because of rounding.

Table 2.5 — Returns With Medical and Dental Expense Deduction: Medical and Dental Expenses Deducted by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Medical and dental expenses subject to reduction by 3 percent of adjusted gross income—Continued										
	Medicine and drugs—Continued		Balance of insurance premiums		All other medical and dental expenses		Nondeductible amount (3 percent of adjusted gross income)		Medical and dental expenses in excess of 3 percent of adjusted gross income		
	Medicine and drugs in excess of 1 percent of adjusted gross income		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
	Number of returns	Amount									(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
All returns, total	3,541,616	762,361	12,078,431	4,217,955	13,091,725	14,935,793	14,632,109	8,947,442	9,857,221	10,968,668	
Under \$2,000.....	18,742	3,797	23,217	9,658	34,214	39,843	35,438	1,231	35,487	52,067	
\$2,000 under \$4,000.....	64,294	13,365	64,031	18,108	87,382	104,678	89,462	9,321	88,475	126,829	
\$4,000 under \$6,000.....	124,926	25,853	167,389	55,857	207,884	288,185	215,278	32,628	205,980	337,267	
\$6,000 under \$8,000.....	194,469	44,785	272,717	86,486	345,185	522,834	362,221	75,132	341,003	578,973	
\$8,000 under \$10,000.....	239,520	47,506	378,339	147,217	459,055	511,745	490,176	128,612	440,187	579,855	
\$10,000 under \$12,000.....	292,263	60,257	528,088	201,364	615,815	784,695	656,279	207,149	582,644	839,168	
\$12,000 under \$14,000.....	292,718	59,627	647,643	228,584	786,114	824,128	786,114	285,505	675,233	826,835	
\$14,000 under \$16,000.....	303,536	59,932	725,387	260,282	833,398	755,079	887,311	364,770	728,200	710,523	
\$16,000 under \$18,000.....	268,885	50,336	730,294	250,779	834,009	828,057	888,032	411,431	730,890	717,741	
\$18,000 under \$20,000.....	260,066	48,793	825,632	276,133	971,643	847,802	1,040,062	522,112	762,583	650,617	
\$20,000 under \$25,000.....	617,881	130,826	2,147,926	727,047	2,401,406	2,164,511	2,631,556	1,512,001	1,807,070	1,510,383	
\$25,000 under \$30,000.....	392,800	88,895	1,851,930	593,585	1,946,912	2,006,617	2,206,064	1,450,274	1,340,074	1,238,823	
\$30,000 under \$50,000.....	427,081	109,851	2,943,730	1,001,064	2,968,783	3,655,440	3,453,267	2,819,141	1,818,487	1,947,213	
\$50,000 under \$100,000.....	41,962	16,715	637,035	295,959	567,451	1,171,859	736,696	868,746	273,290	615,787	
\$100,000 under \$200,000.....	2,379	1,670	106,749	53,923	77,691	306,655	122,311	192,776	24,228	169,472	
\$200,000 under \$500,000.....	90	147	24,306	10,273	14,509	99,697	27,409	53,356	3,060	56,762	
\$500,000 under \$1,000,000.....	**4	**6	2,998	1,230	1,532	17,331	3,313	10,115	275	8,452	
\$1,000,000 or more.....	**	**	1,020	407	468	6,638	1,120	5,143	55	1,901	
Taxable returns, total	3,097,322	654,608	11,428,728	3,926,330	12,260,004	13,025,455	13,769,301	8,708,836	9,035,256	8,897,557	
Under \$2,000.....	*23	*2	*2,304	*600	4,504	881	4,465	198	4,504	1,285	
\$2,000 under \$4,000.....	*5,426	*804	6,236	997	6,220	1,301	6,544	689	6,530	2,412	
\$4,000 under \$6,000.....	43,565	6,413	67,389	16,313	79,319	61,980	80,928	12,563	78,089	72,143	
\$6,000 under \$8,000.....	103,868	22,877	154,184	43,015	179,166	168,922	191,814	39,872	175,998	194,942	
\$8,000 under \$10,000.....	162,898	30,993	253,021	88,548	310,991	232,282	336,678	86,927	296,396	264,896	
\$10,000 under \$12,000.....	245,743	48,100	447,620	162,021	516,766	482,344	553,100	173,689	482,867	518,776	
\$12,000 under \$14,000.....	262,415	50,734	601,238	202,981	667,284	614,901	726,136	262,305	616,833	606,311	
\$14,000 under \$16,000.....	291,128	55,710	703,331	248,086	804,295	673,988	857,227	351,688	699,641	626,095	
\$16,000 under \$18,000.....	260,258	47,912	703,621	236,807	800,949	744,131	853,892	394,495	698,544	634,355	
\$18,000 under \$20,000.....	254,778	47,736	814,995	269,857	960,322	811,247	1,027,907	515,546	751,713	613,294	
\$20,000 under \$25,000.....	609,223	129,143	2,129,656	714,520	2,381,352	2,131,113	2,609,821	1,498,567	1,789,379	1,476,209	
\$25,000 under \$30,000.....	390,010	87,404	1,839,878	586,669	1,931,496	1,927,741	2,190,349	1,437,728	1,325,425	1,164,087	
\$30,000 under \$50,000.....	424,219	109,080	2,935,535	995,388	2,958,446	3,606,384	3,442,673	2,809,330	1,810,417	1,901,523	
\$50,000 under \$100,000.....	41,296	15,880	634,730	294,744	564,927	1,138,965	733,869	864,345	271,348	585,244	
\$100,000 under \$200,000.....	2,379	1,670	106,681	53,884	77,474	306,057	122,076	192,339	24,186	169,271	
\$200,000 under \$500,000.....	89	144	24,291	10,265	14,495	99,248	27,391	53,298	3,056	56,359	
\$500,000 under \$1,000,000.....	**4	**6	2,998	1,230	1,531	17,331	3,312	10,114	275	8,452	
\$1,000,000 or more.....	**	**	1,020	407	467	6,638	1,119	5,143	55	1,901	
Total nontaxable returns	444,294	107,753	649,703	291,625	831,721	1,910,338	862,808	238,606	821,965	2,071,111	
All returns, summary:											
Under \$5,000.....	123,995	25,088	143,211	42,688	194,193	241,672	201,521	20,620	197,053	288,828	
\$5,000 under \$10,000.....	517,956	110,218	762,482	274,637	939,527	1,225,613	991,054	224,305	914,079	1,386,164	
\$10,000 under \$15,000.....	740,420	149,005	1,533,336	567,093	1,749,376	1,968,951	1,881,344	667,827	1,619,418	2,017,222	
\$15,000 under \$20,000.....	677,048	129,940	1,923,708	650,049	2,229,877	2,070,810	2,376,454	1,123,139	1,860,132	1,727,660	
\$20,000 or more.....	1,482,197	348,110	7,715,694	2,683,488	7,978,752	9,428,747	9,181,736	6,911,551	5,266,539	5,548,794	

*Estimate should be used with caution because of the small number of sample returns on which it is based.
 **Data combined to avoid disclosure of information for specific taxpayers.
 NOTE: Detail may not add to total because of rounding.

Individual Returns/1979 • Itemized Deductions and Exemptions

Table 2.6 — Returns With Interest Paid Deduction: Interest Deducted by Size of Adjusted Gross Income

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

Size of adjusted gross income	Total				Home mortgage interest		Credit card interest		All other interest	
	Number of returns (1)	Adjusted gross income (2)	Total itemized deductions (3)	Interest deducted (4)	Number of returns (5)	Amount (6)	Number of returns (7)	Amount (8)	Number of returns (9)	Amount (10)
All returns, total.....	24,511,744	737,930,924	172,705,550	74,427,045	20,854,096	48,496,718	16,765,589	4,015,958	19,842,439	21,914,370
Under \$2,000.....	37,532	44,303	211,742	112,657	26,213	76,502	17,145	2,836	24,186	33,319
\$2,000 under \$4,000.....	83,523	269,623	389,104	205,715	68,846	122,342	33,162	5,052	49,719	78,321
\$4,000 under \$6,000.....	192,094	993,058	800,515	347,294	139,496	231,667	92,016	15,949	131,248	99,678
\$6,000 under \$8,000.....	370,294	2,623,645	1,589,077	718,742	268,548	488,552	197,762	35,090	249,664	195,101
\$8,000 under \$10,000.....	550,719	4,995,472	2,542,457	1,236,864	451,594	860,274	343,992	77,745	372,226	298,845
\$10,000 under \$12,000.....	761,795	8,410,746	3,495,336	1,568,861	597,116	1,059,111	475,490	104,663	590,180	404,887
\$12,000 under \$14,000.....	988,532	12,879,101	4,720,695	2,157,771	806,012	1,482,094	642,245	146,561	742,129	529,115
\$14,000 under \$16,000.....	1,237,222	18,589,618	6,016,827	2,707,699	977,821	1,896,757	831,528	189,214	939,728	621,729
\$16,000 under \$18,000.....	1,401,072	23,834,785	7,037,140	3,277,230	1,147,021	2,292,977	946,438	204,680	1,123,665	779,573
\$18,000 under \$20,000.....	1,626,050	30,920,683	8,657,339	4,062,740	1,385,107	2,859,777	1,109,018	241,737	1,295,666	961,226
\$20,000 under \$25,000.....	4,516,926	101,669,923	25,192,105	11,708,263	3,928,210	8,150,382	3,276,558	743,075	3,669,353	2,814,806
\$25,000 under \$30,000.....	4,047,053	110,847,347	25,118,344	11,347,851	3,547,512	7,839,513	2,977,435	720,225	3,401,617	2,788,113
\$30,000 under \$50,000.....	6,745,537	249,023,188	51,865,991	22,033,650	5,937,977	14,942,057	4,802,782	1,275,280	5,617,489	5,816,312
\$50,000 under \$100,000.....	1,578,716	102,912,780	20,768,504	8,205,055	1,303,395	4,809,786	885,652	222,742	1,311,380	3,172,526
\$100,000 under \$200,000.....	296,902	39,035,293	7,685,487	2,805,446	220,870	1,077,852	114,850	26,937	255,167	1,700,657
\$200,000 under \$500,000.....	66,555	18,791,351	3,830,589	1,257,273	42,323	255,232	17,368	3,570	58,840	998,472
\$500,000 under \$1,000,000.....	8,207	5,444,770	1,224,815	343,266	4,544	36,508	1,599	322	7,428	306,436
\$1,000,000 or more.....	3,015	6,645,237	1,559,483	330,669	1,491	15,336	549	80	2,754	315,254
Taxable returns, total.....	23,617,550	728,625,180	165,972,735	71,071,678	20,089,217	46,377,288	16,278,622	3,892,170	19,196,373	20,802,220
Under \$2,000.....	3,898	6,291	12,093	8,071	*659	*6,930	*1,768	*89	*2,103	*1,052
\$2,000 under \$4,000.....	8,982	30,214	18,180	7,801	*3,413	*2,320	*4,401	*508	8,898	4,973
\$4,000 under \$6,000.....	72,322	382,450	215,243	81,711	43,122	54,716	35,875	5,179	53,636	21,817
\$6,000 under \$8,000.....	191,632	1,378,979	667,284	270,943	117,068	162,404	100,952	15,822	139,725	92,718
\$8,000 under \$10,000.....	383,460	3,503,683	1,491,616	707,313	305,872	507,809	242,207	47,088	250,798	152,416
\$10,000 under \$12,000.....	664,292	7,346,265	2,735,134	1,184,574	513,081	815,860	417,040	84,899	504,252	283,816
\$12,000 under \$14,000.....	933,230	12,166,796	4,228,456	1,902,763	757,536	1,317,171	606,805	139,297	697,171	446,295
\$14,000 under \$16,000.....	1,203,527	18,082,166	5,671,110	2,538,469	947,781	1,774,046	812,717	182,970	912,392	581,453
\$16,000 under \$18,000.....	1,361,495	23,162,075	6,631,356	3,061,969	1,109,068	2,135,665	923,545	199,738	1,090,185	726,565
\$18,000 under \$20,000.....	1,609,580	30,606,825	8,478,595	3,963,760	1,369,319	2,796,697	1,097,942	238,697	1,280,786	928,366
\$20,000 under \$25,000.....	4,491,906	101,117,955	24,928,315	11,549,162	3,906,454	8,058,846	3,261,994	738,061	3,648,666	2,752,255
\$25,000 under \$30,000.....	4,022,503	110,180,396	24,722,720	11,138,296	3,526,729	7,719,981	2,965,383	716,859	3,379,758	2,701,456
\$30,000 under \$50,000.....	6,722,943	248,219,146	51,359,975	21,809,632	5,920,307	14,854,972	4,790,467	1,270,155	5,597,577	5,684,504
\$50,000 under \$100,000.....	1,573,591	102,597,404	20,559,189	8,121,628	1,299,856	4,787,545	883,371	222,024	1,306,698	3,112,058
\$100,000 under \$200,000.....	296,458	38,978,681	7,649,243	2,800,422	220,623	1,075,603	114,648	26,835	254,748	1,697,985
\$200,000 under \$500,000.....	66,515	18,780,207	3,821,513	1,252,569	42,297	254,924	17,359	3,548	58,804	994,097
\$500,000 under \$1,000,000.....	8,202	5,441,661	1,223,737	342,265	4,542	36,496	1,599	322	7,423	305,447
\$1,000,000 or more.....	3,014	6,643,987	1,558,978	330,330	1,490	15,304	549	80	2,753	314,946
Total nontaxable returns.....	894,194	9,305,744	6,732,815	3,355,367	764,879	2,119,430	486,967	123,787	646,066	1,112,150
All returns, summary:										
Under \$5,000.....	193,196	639,565	900,011	462,611	148,782	290,218	82,223	14,601	120,796	157,792
\$5,000 under \$10,000.....	1,040,966	8,286,537	4,632,884	2,158,662	805,915	1,489,120	601,854	122,070	706,247	547,471
\$10,000 under \$15,000.....	2,343,840	29,905,232	11,024,535	4,959,251	1,875,794	3,408,428	1,517,226	331,369	1,786,405	1,219,455
\$15,000 under \$20,000.....	3,670,831	64,729,702	18,902,801	8,815,049	3,037,283	6,182,287	2,487,493	556,686	2,904,963	2,077,076
\$20,000 or more.....	17,262,911	634,369,888	137,245,319	58,031,472	14,986,322	37,126,666	12,076,793	2,992,231	14,324,028	17,912,575

*Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to total because of rounding.

Individual Returns/1979 • Itemized Deductions and Exemptions

Table 2.7 — Returns With Total Miscellaneous Deductions: Total Miscellaneous Deductions by Size of Adjusted Gross Income

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

Size of adjusted gross income	Total				Net casualty or theft loss		Union dues		Other miscellaneous deductions	
	Number of returns	Adjusted gross income	Total itemized deductions	Total miscellaneous deductions	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total.....	22,291,213	676,362,643	156,537,070	13,940,255	2,588,233	2,799,122	8,561,168	1,816,615	21,163,653	9,324,518
Under \$2,000.....	37,795	53,179	203,017	79,030	*1,043	*1,875	*308	*90	37,301	77,065
\$2,000 under \$4,000.....	120,008	369,233	312,569	68,163	8,534	6,048	10,065	1,629	113,233	60,486
\$4,000 under \$6,000.....	194,532	1,000,940	716,835	91,988	24,592	19,568	24,120	1,997	187,192	70,423
\$6,000 under \$8,000.....	354,284	2,516,106	1,484,719	148,818	30,477	37,765	69,795	9,052	330,409	102,001
\$8,000 under \$10,000.....	484,065	4,400,174	2,183,005	185,057	42,408	51,172	91,240	11,905	447,678	121,980
\$10,000 under \$12,000.....	680,243	7,518,759	3,155,937	311,965	95,619	106,750	191,694	24,297	621,141	180,918
\$12,000 under \$14,000.....	857,320	11,180,234	4,058,794	367,112	85,126	98,651	275,662	43,415	803,254	225,046
\$14,000 under \$16,000.....	1,109,139	16,668,263	5,373,607	560,351	127,205	157,814	421,970	68,469	1,040,872	334,067
\$16,000 under \$18,000.....	1,259,384	21,429,276	6,279,076	577,355	129,781	121,952	539,267	90,272	1,163,966	365,132
\$18,000 under \$20,000.....	1,456,779	27,713,250	7,667,074	716,779	150,025	174,825	613,974	106,031	1,353,954	529,922
\$20,000 under \$25,000.....	4,025,070	90,592,692	22,290,155	1,959,607	451,604	340,317	1,897,919	386,021	3,813,469	1,233,269
\$25,000 under \$30,000.....	3,680,033	100,854,379	22,642,734	1,882,408	381,787	302,794	1,739,355	376,084	3,502,596	1,203,530
\$30,000 under \$50,000.....	6,236,272	230,129,184	47,484,263	4,044,206	780,399	795,216	2,486,529	628,926	5,999,443	2,620,064
\$50,000 under \$100,000.....	1,439,643	93,863,821	18,770,543	1,632,435	222,976	349,234	190,398	66,182	1,400,902	1,217,019
\$100,000 under \$200,000.....	279,679	36,822,593	7,231,957	697,096	43,850	165,359	7,983	1,980	272,751	529,757
\$200,000 under \$500,000.....	65,413	18,544,861	3,771,025	360,877	10,689	49,627	777	206	64,135	311,045
\$500,000 under \$1,000,000.....	6,417	5,605,251	1,262,501	122,302	1,527	10,390	92	37	8,270	111,875
\$1,000,000 or more.....	3,137	7,100,448	1,649,260	134,708	591	9,764	20	23	3,087	124,921
Taxable returns, total.....	21,585,464	668,978,317	150,871,475	13,231,831	2,517,154	2,444,932	8,452,238	1,799,140	20,500,505	8,987,759
Under \$2,000.....	17,942	28,259	15,251	4,065	—	—	—	—	17,942	4,065
\$2,000 under \$4,000.....	60,105	175,870	65,218	51,469	*1,537	*1,453	*3,841	*244	58,569	49,772
\$4,000 under \$6,000.....	92,812	481,704	292,727	51,766	9,782	8,422	*8,938	*1,013	89,872	42,332
\$6,000 under \$8,000.....	214,128	1,527,387	706,026	101,519	22,951	30,386	50,971	5,964	196,917	65,169
\$8,000 under \$10,000.....	362,901	3,317,241	1,383,988	128,499	35,596	33,307	72,200	8,892	335,895	86,300
\$10,000 under \$12,000.....	590,949	6,540,788	2,434,890	251,030	86,470	75,925	172,701	21,612	538,497	153,494
\$12,000 under \$14,000.....	813,807	10,616,789	3,620,949	337,724	82,123	85,418	267,706	42,350	760,889	209,956
\$14,000 under \$16,000.....	1,083,112	16,277,031	5,084,957	530,222	123,008	141,838	415,639	66,995	1,016,243	321,389
\$16,000 under \$18,000.....	1,229,170	20,915,661	5,962,789	544,693	126,636	108,658	534,080	89,287	1,134,603	346,748
\$18,000 under \$20,000.....	1,442,806	27,448,271	7,498,441	684,293	145,255	147,416	610,020	104,534	1,342,294	432,343
\$20,000 under \$25,000.....	4,005,520	90,163,166	22,064,563	1,934,916	449,090	325,070	1,896,229	385,821	3,795,853	1,224,025
\$25,000 under \$30,000.....	3,662,479	100,376,230	22,316,594	1,854,092	379,798	293,667	1,736,338	375,720	3,486,200	1,184,705
\$30,000 under \$50,000.....	6,217,940	229,486,862	47,024,775	3,901,788	776,450	688,732	2,484,477	628,358	5,981,933	2,584,698
\$50,000 under \$100,000.....	1,435,531	93,607,933	18,592,619	1,571,474	221,945	297,920	190,286	66,129	1,396,821	1,207,426
\$100,000 under \$200,000.....	279,338	36,778,734	7,196,447	670,833	43,716	139,840	7,925	1,955	272,525	529,038
\$200,000 under \$500,000.....	65,373	18,533,076	3,760,064	356,548	10,679	46,725	775	205	64,098	309,617
\$500,000 under \$1,000,000.....	8,415	5,604,118	1,262,421	122,289	1,527	10,390	92	37	8,268	111,861
\$1,000,000 or more.....	3,136	7,099,198	1,648,755	134,611	591	9,764	20	23	3,086	124,824
Total nontaxable returns.....	705,749	7,384,326	5,665,595	708,424	71,079	354,190	108,930	17,475	663,148	336,759
All returns, summary:										
Under \$5,000.....	228,625	741,745	755,735	188,815	19,390	12,214	19,683	2,448	218,753	174,153
\$5,000 under \$10,000.....	962,059	7,597,887	4,144,410	384,239	87,664	104,214	175,845	22,224	897,060	257,801
\$10,000 under \$15,000.....	2,068,127	26,402,610	9,713,414	924,523	240,131	263,704	671,528	99,675	1,925,527	561,144
\$15,000 under \$20,000.....	3,294,738	58,107,173	16,821,074	1,609,038	347,625	396,289	1,371,039	232,809	3,057,680	979,941
\$20,000 or more.....	15,737,664	583,513,230	125,102,437	10,833,636	1,893,423	2,022,701	6,323,073	1,459,459	15,064,653	7,351,479

* Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to total because of rounding.

Individual Returns/1979 • Tax Computation and Tax Rates

Table 3.3 — All Returns: Adjusted Gross Income and Total Income Tax, by Size of Adjusted Gross Income and Total Income Tax — Continued

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

Table with 10 columns: Size of adjusted gross income, Number of returns, Adjusted gross income less deficit, Total income tax. Rows include income brackets from \$1 to \$1,000,000 and summary rows for all returns.

Footnote(s) at end of table.

Table 3.2—Returns With Residential Energy Expenditures: Expenditures by Type and Computation of the Energy Credit, by Size of Adjusted Gross Income—Continued

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

Table with columns for 'Size of adjusted gross income', 'Returns with energy conservation expenditures—Continued', and 'Returns with renewable energy source expenditures'. It includes sub-columns for 'Maximum allowable energy conservation expenditures', 'Prior-year energy conservation expenditures', 'Maximum allowable current-year energy conservation expenditures', 'Energy conservation credit (before limitation)', 'Total expenditures', and 'Expenditures for solar energy'. Rows are categorized by income brackets from 'All returns, total' down to '\$20,000 or more'.

Footnote(s) at end of table.

Individual Returns/1979 • Tax Computation and Tax Rates

Table 3.1 — Returns With Income Subject to Tax: Adjusted Gross Income, Deductions, Exemptions, Taxable Income, and Tax Items, by Size of Adjusted Gross Income and Type of Tax Computation — Continued

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

Type of tax computation by size of adjusted gross income	Average tax savings (dollars)	Income tax before credits		Total credits		Income tax after credits		Additional tax for tax preferences	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Total	
								Number of returns	Amount
(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	
Returns with regular tax computation only¹									
Total.....	—	69,270,503	160,414,032	16,434,519	4,187,736	66,719,047	156,226,296	90,727	412,963
Under \$5,000.....	—	5,018,459	546,776	424,498	26,476	4,706,230	520,300	*464	*394
\$5,000 under \$10,000.....	—	17,295,915	9,046,327	4,629,316	716,613	15,426,949	8,329,714	1,496	2,089
\$10,000 under \$15,000.....	—	14,087,188	17,184,327	2,211,047	440,396	13,901,199	16,743,930	5,943	5,422
\$15,000 under \$20,000.....	—	10,979,898	22,493,156	2,342,593	549,564	10,887,477	21,943,593	3,944	4,503
\$20,000 under \$50,000.....	—	20,777,614	89,230,579	6,238,762	1,750,941	20,693,469	87,479,638	42,413	72,147
\$50,000 under \$100,000.....	—	1,033,050	15,530,041	532,582	482,889	1,026,349	15,047,152	23,726	104,982
\$100,000 under \$200,000.....	—	62,160	2,489,606	42,966	106,651	61,360	2,382,954	9,042	77,222
\$200,000 under \$500,000.....	—	12,532	1,439,090	9,671	45,320	12,346	1,393,770	2,764	62,426
\$500,000 under \$1,000,000.....	—	2,489	765,571	2,037	30,198	2,475	735,373	605	29,987
\$1,000,000 or more.....	—	1,198	1,688,560	1,047	38,687	1,193	1,649,873	330	53,790
Returns with income averaging tax computation²									
Total.....	648	4,590,981	38,260,936	2,014,078	1,845,001	4,519,030	36,415,934	105,985	577,556
Under \$5,000.....	—	—	—	—	—	—	—	—	—
\$5,000 under \$10,000.....	128	16,991	12,112	*1,454	*391	16,633	11,721	*326	*194
\$10,000 under \$15,000.....	159	180,731	213,883	36,185	9,100	157,890	204,784	*1,768	*765
\$15,000 under \$20,000.....	192	368,557	768,314	138,130	61,468	354,321	706,846	3,343	1,673
\$20,000 under \$50,000.....	366	3,198,487	17,314,166	1,336,652	790,482	3,152,042	16,523,704	49,617	84,723
\$50,000 under \$100,000.....	1,370	720,928	11,732,697	412,803	600,552	713,292	11,132,145	30,822	135,237
\$100,000 under \$200,000.....	4,210	103,293	4,512,951	71,944	248,107	102,885	4,264,844	13,573	147,673
\$200,000 under \$500,000.....	11,209	19,013	2,205,518	14,504	99,637	18,961	2,105,881	5,332	124,402
\$500,000 under \$1,000,000.....	23,417	2,197	666,200	1,745	23,346	2,195	642,854	868	42,422
\$1,000,000 or more.....	26,835	814	835,074	661	11,918	811	823,156	336	40,466
Returns with maximum tax computation³									
Total.....	5,153	378,863	21,405,908	247,276	747,228	378,020	20,658,680	4,679	37,391
Under \$5,000.....	70	*467	*6,854	*466	*1,911	*467	*4,943	—	—
\$5,000 under \$100,000.....	549	131,900	3,499,727	74,103	122,939	131,460	3,376,788	411	1,712
\$100,000 under \$200,000.....	3,037	191,359	9,098,257	129,054	341,258	190,997	8,756,999	2,885	12,852
\$200,000 under \$500,000.....	16,664	48,391	5,690,825	37,740	181,985	48,358	5,508,840	1,092	12,116
\$500,000 under \$1,000,000.....	51,974	5,167	1,569,019	4,507	56,281	5,161	1,512,737	200	5,340
\$1,000,000 or more.....	141,737	1,579	1,541,226	1,406	42,853	1,577	1,498,373	91	5,372

Type of tax computation by size of adjusted gross income	Additional tax for tax preferences—Continued				Total income tax				
	Minimum tax		Alternative minimum tax		Number of returns	Amount	As a percent of		Average income tax (dollars)
	Number of returns	Amount	Number of returns	Amount			Income subject to tax	Adjusted gross income	
					(28)	(29)			(30)	(31)	(32)	(33)	(34)	(35)	(36)
Returns with regular tax computation only¹									
Total.....	38,463	158,206	55,167	254,757	66,749,006	156,639,259	16.4	12.8	1,911
Under \$5,000.....	*78	*25	*387	*369	4,706,617	520,694	1.9	1.1	34
\$5,000 under \$10,000.....	*535	*327	972	1,762	15,428,302	8,331,803	8.0	5.8	429
\$10,000 under \$15,000.....	1,216	1,195	4,770	4,227	13,904,192	16,749,352	12.2	9.5	1,177
\$15,000 under \$20,000.....	618	1,105	3,350	3,398	10,890,287	21,948,096	14.3	11.4	1,994
\$20,000 under \$50,000.....	12,632	22,399	30,309	49,749	20,711,044	87,551,785	18.5	14.9	4,211
\$50,000 under \$100,000.....	14,988	49,591	9,706	55,391	1,030,196	15,152,134	29.7	23.5	14,653
\$100,000 under \$200,000.....	5,909	30,630	3,930	46,592	62,109	2,460,177	42.6	31.0	39,487
\$200,000 under \$500,000.....	1,886	26,392	1,310	36,034	12,568	1,456,196	57.1	39.6	115,773
\$500,000 under \$1,000,000.....	397	12,536	273	17,450	2,493	765,359	64.1	45.4	306,880
\$1,000,000 or more.....	204	14,006	160	39,784	1,198	1,703,662	69.2	50.0	1,422,089
Returns with income averaging tax computation²									
Total.....	26,683	107,371	80,975	470,184	4,544,279	36,993,490	25.5	20.3	8,058
Under \$5,000.....	—	—	—	—	—	—	—	—	—
\$5,000 under \$10,000.....	—	—	*326	*194	16,959	11,915	10.4	7.7	701
\$10,000 under \$15,000.....	—	—	*1,768	*765	157,890	205,549	12.5	9.8	1,279
\$15,000 under \$20,000.....	—	—	3,343	1,673	355,351	708,519	13.7	10.9	1,922
\$20,000 under \$50,000.....	8,365	11,824	41,282	72,899	3,170,749	16,608,427	19.8	15.9	5,193
\$50,000 under \$100,000.....	10,160	30,413	21,171	104,825	718,089	11,267,383	30.1	23.8	15,629
\$100,000 under \$200,000.....	5,885	30,634	8,338	117,039	103,225	4,412,516	42.5	33.1	42,731
\$200,000 under \$500,000.....	1,983	22,389	3,729	102,013	19,005	2,230,283	55.9	41.7	117,303
\$500,000 under \$1,000,000.....	230	7,291	718	35,131	2,197	685,276	65.3	47.2	311,914
\$1,000,000 or more.....	60	4,821	300	35,645	814	863,622	70.3	54.3	1,060,961
Returns with maximum tax computation³									
Total.....	2,999	7,501	1,797	29,890	378,139	20,696,071	43.1	36.4	54,627
Under \$50,000.....	—	—	—	—	*467	*4,943	*24.1	*22.1	*10,585
\$50,000 under \$100,000.....	*158	*105	253	1,607	131,504	3,378,500	35.5	30.4	25,814
\$100,000 under \$200,000.....	1,948	2,566	1,016	10,286	191,082	8,769,851	40.7	34.2	45,829
\$200,000 under \$500,000.....	750	2,999	369	9,116	48,367	5,520,956	48.0	40.7	114,091
\$500,000 under \$1,000,000.....	118	1,368	89	3,971	5,162	1,518,077	53.1	44.6	293,802
\$1,000,000 or more.....	25	462	68	4,910	1,577	1,503,744	58.0	48.5	952,340

* Estimate should be used with caution because of the small number of sample returns on which it is based.
 ** Data combined to avoid disclosure of information for specific taxpayers.
¹ Includes prior-year and fiscal-year returns with partially tax-exempt income tax computation.
² Includes prior-year and fiscal-year returns with alternative tax and no maximum tax computation.
³ Includes prior-year and fiscal-year returns with maximum and alternative tax computations.
 NOTE: Detail may not add to total because of rounding.

Table 3.1 — Returns With Income Subject to Tax: Adjusted Gross Income, Deductions, Exemptions, Taxable Income, and Tax Items, by Size of Adjusted Gross Income and Type of Tax Computation

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

Type of tax computation by size of adjusted gross income	Number of returns	Adjusted gross income	Unused zero bracket amount		Excess itemized deductions		Tax table income	Exemptions	
			Number of returns	Amount	Number of returns	Amount		Number of exemptions	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Returns with regular tax computation only¹									
Total.....	81,983,134	1,228,520,868	385,526	662,643	22,513,992	75,037,866	1,152,145,645	195,357,503	194,699,459
Under \$5,000.....	15,385,815	45,802,824	281,420	523,868	111,920	104,962	46,221,731	19,554,040	19,462,089
\$5,000 under \$10,000.....	19,437,406	144,146,087	66,250	92,036	1,153,756	1,632,483	142,605,640	38,500,810	38,328,780
\$10,000 under \$15,000.....	14,231,535	176,231,468	17,105	22,004	2,521,568	4,534,509	171,718,963	34,176,373	34,047,743
\$15,000 under \$20,000.....	11,005,374	191,797,649	12,741	18,712	3,761,222	7,935,024	183,881,338	30,979,984	30,883,100
\$20,000 under \$50,000.....	20,790,386	587,324,387	7,736	5,939	13,907,265	46,517,455	540,812,870	68,243,471	68,086,791
\$50,000 under \$100,000.....	1,034,044	64,503,699	*250	*44	981,728	9,836,254	54,667,489	3,640,948	3,630,069
\$100,000 under \$200,000.....	62,304	7,943,328	*12	*20	60,500	1,961,586	5,981,762	210,705	209,834
\$200,000 under \$500,000.....	12,578	3,676,675	*9	*16	12,379	1,086,752	2,589,939	39,708	39,614
\$500,000 under \$1,000,000.....	2,494	1,684,379	*3	*4	2,467	482,809	1,201,571	7,762	7,742
\$1,000,000 or more.....	1,198	3,410,372	**	**	1,187	946,032	2,464,343	3,702	3,697
Returns with income averaging tax computation²									
Total.....	4,590,981	182,328,420	*841	*676	3,042,585	16,038,636	166,290,459	14,535,396	14,496,716
Under \$5,000.....	—	—	—	—	—	—	—	—	—
\$5,000 under \$10,000.....	16,991	155,087	—	—	*510	*203	154,864	28,323	28,261
\$10,000 under \$15,000.....	160,731	2,100,948	—	—	33,832	32,256	2,068,693	317,113	316,150
\$15,000 under \$20,000.....	368,557	6,521,423	—	—	103,475	166,237	6,355,186	916,062	913,984
\$20,000 under \$50,000.....	3,198,487	104,465,741	*731	*512	2,137,460	6,942,415	97,523,838	10,296,669	10,269,026
\$50,000 under \$100,000.....	720,928	47,348,405	*70	*125	649,347	5,377,896	41,970,633	2,534,500	2,527,995
\$100,000 under \$200,000.....	103,263	13,340,771	*40	*39	96,622	1,881,496	11,459,312	367,374	366,194
\$200,000 under \$500,000.....	19,013	5,354,125	**	**	18,362	989,834	4,364,292	65,055	64,831
\$500,000 under \$1,000,000.....	2,197	1,452,376	—	—	2,170	321,265	1,131,111	7,588	7,570
\$1,000,000 or more.....	814	1,589,564	—	—	807	327,034	1,262,530	2,712	2,705
Returns with maximum tax computation³									
Total.....	378,863	56,851,682	*255	*265	364,252	7,488,533	49,363,414	1,357,263	1,355,698
Under \$5,000.....	*467	*22,403	—	—	*251	*132	*21,271	*739	*739
\$5,000 under \$10,000.....	131,900	11,108,885	*164	*204	123,184	1,169,979	9,939,110	430,564	430,249
\$10,000 under \$20,000.....	191,359	25,646,460	*77	*53	186,374	3,367,904	22,258,609	726,303	725,283
\$20,000 under \$50,000.....	48,391	13,568,953	*14	*8	47,745	1,900,405	11,668,555	176,196	175,993
\$50,000 under \$1,000,000.....	5,167	3,404,278	**	**	5,130	526,290	2,877,988	18,042	18,022
\$1,000,000 or more.....	1,579	3,100,702	**	**	1,568	502,822	2,597,880	5,419	5,412

Type of tax computation by size of adjusted gross income	Taxable income	Income subject to tax		Tax-exempt income earned abroad		Income tax before credits, regular computation	Tax generated	Tax savings over regular computation	
		Total	Zero bracket amount		Number of returns				Amount
			Number of returns	Amount					
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Returns with regular tax computation only¹									
Total.....	957,446,186	957,446,186	81,963,134	214,695,301	10,503	125,248	160,240,834	160,240,834	—
Under \$5,000.....	26,759,642	26,759,642	15,385,815	22,942,136	—	—	544,812	544,812	—
\$5,000 under \$10,000.....	104,276,859	104,276,859	19,437,406	48,024,263	—	—	9,038,612	9,038,612	—
\$10,000 under \$15,000.....	137,671,220	137,671,220	14,231,535	39,388,728	—	—	17,169,877	17,169,877	—
\$15,000 under \$20,000.....	152,998,237	152,998,237	11,005,374	33,046,106	*4,507	*55,268	22,468,285	22,468,285	—
\$20,000 under \$50,000.....	472,726,079	472,726,079	20,790,386	67,616,419	*5,802	*68,143	89,158,258	89,158,258	—
\$50,000 under \$100,000.....	51,037,419	51,037,419	1,034,044	3,427,265	*90	*221	15,489,930	15,489,930	—
\$100,000 under \$200,000.....	5,771,928	5,771,928	62,304	200,420	*94	*1,460	2,483,690	2,483,690	—
\$200,000 under \$500,000.....	2,550,324	2,550,324	12,578	38,780	*6	*90	1,435,921	1,435,921	—
\$500,000 under \$1,000,000.....	1,193,830	1,193,830	2,494	7,551	*4	*65	763,896	763,896	—
\$1,000,000 or more.....	2,460,646	2,460,646	1,198	3,633	**	**	1,687,553	1,687,553	—
Returns with income averaging tax computation²									
Total.....	151,793,744	145,039,545	4,590,981	14,674,719	—	—	41,189,334	38,212,597	2,976,737
Under \$5,000.....	—	—	—	—	—	—	—	—	—
\$5,000 under \$10,000.....	126,603	114,633	16,991	41,469	—	—	14,289	12,112	2,177
\$10,000 under \$15,000.....	1,752,543	1,641,218	160,731	430,101	—	—	239,432	213,883	25,549
\$15,000 under \$20,000.....	5,441,202	5,164,785	368,557	1,077,945	—	—	838,598	768,003	70,595
\$20,000 under \$50,000.....	87,254,812	83,970,902	3,198,487	10,333,475	—	—	18,461,068	17,291,805	1,169,263
\$50,000 under \$100,000.....	39,442,639	37,488,850	720,928	2,380,912	—	—	12,705,948	11,717,966	987,982
\$100,000 under \$200,000.....	11,093,118	10,390,394	103,263	338,782	—	—	4,941,695	4,506,936	434,759
\$200,000 under \$500,000.....	4,299,462	3,989,854	19,013	62,230	—	—	2,415,158	2,202,036	213,122
\$500,000 under \$1,000,000.....	1,123,541	1,050,217	2,197	7,169	—	—	716,891	665,445	51,447
\$1,000,000 or more.....	1,259,825	1,228,693	814	2,637	—	—	856,255	834,412	21,844
Returns with maximum tax computation³									
Total.....	48,007,716	48,007,716	378,863	1,240,113	*96	*2,115	23,337,484	21,385,185	1,952,299
Under \$50,000.....	*20,532	*20,532	*467	*1,074	—	—	*6,887	*6,854	*33
\$50,000 under \$100,000.....	9,508,862	9,508,862	131,900	419,276	—	—	3,569,204	3,496,825	72,379
\$100,000 under \$200,000.....	21,533,326	21,533,326	191,359	636,664	*96	*2,115	9,670,279	9,089,115	581,164
\$200,000 under \$500,000.....	11,492,562	11,492,562	48,391	160,909	—	—	6,490,724	5,684,353	806,370
\$500,000 under \$1,000,000.....	2,859,966	2,859,966	5,167	17,011	—	—	1,836,130	1,567,581	268,550
\$1,000,000 or more.....	2,592,468	2,592,468	1,579	5,178	—	—	1,764,259	1,540,456	223,802

Footnote(s) at end of table.

Figure 3B

Number of Returns and Amount of Earned Income Credit, 1975-1979

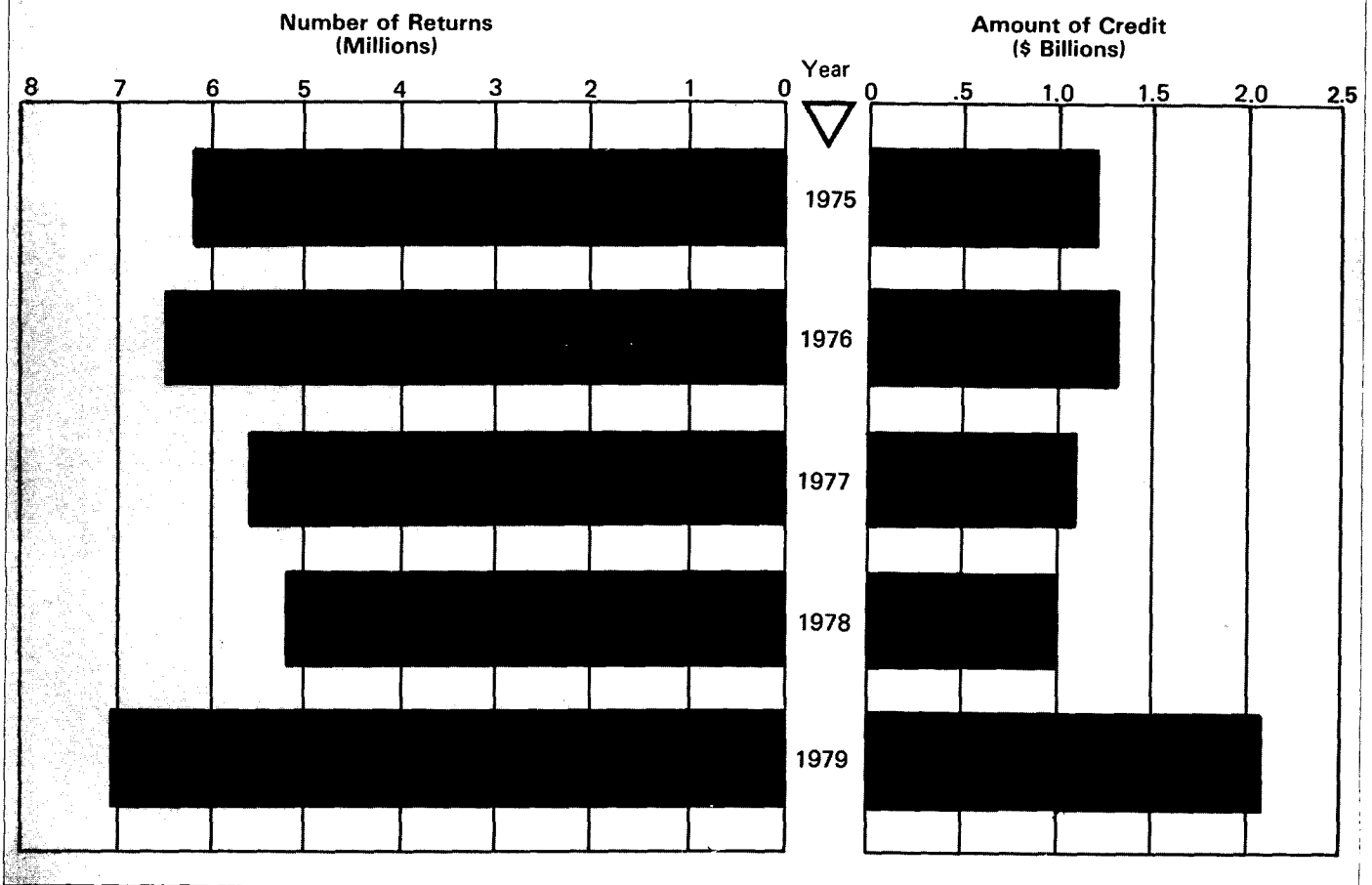


Table 3C.--Returns With Advance Earned Income Credit Payments: Selected Items by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns	Earned income	Earned income credit				Advance earned income credit payments			
			Total		In excess of advance earned income credit payments		Total		In excess of earned income credit	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total.....	29,125	221,150	24,098	7,949	22,250	4,205	29,125	3,902	*6,875	*158
No adjusted gross income.....	-	-	-	-	-	-	-	-	-	-
\$1 under \$2,000.....	-	-	-	-	-	-	-	-	-	-
\$2,000 under \$4,000.....	*2,137	*8,268	*2,137	*825	*2,137	*532	*2,137	*293	-	-
\$4,000 under \$6,000.....	*1,870	*10,412	*1,870	*935	*1,870	*597	*1,870	*338	-	-
\$6,000 under \$8,000.....	*11,905	*82,761	*11,905	*4,406	*11,905	*2,164	*11,905	*2,243	-	-
\$8,000 under \$10,000.....	*10,170	*83,902	*8,186	*1,783	*6,338	*913	*10,170	*936	*3,832	*65
\$10,000 under \$15,000.....	*2,961	*32,091	-	-	-	-	*2,961	*58	*2,961	*58
\$15,000 or more.....	*82	*3,716	-	-	-	-	*82	*35	*82	*35

*Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to total because of rounding.

In effect, the taxpayer had to pay the greater of the tax computed under the normal tax computation methods or the alternative minimum method.

For tax years before 1979, excess itemized deductions and excluded capital gains had been combined with other "tax preferences" and, after certain exclusions, subjected to a flat 15 percent tax. This "minimum tax" computation remained in effect for other tax preferences for 1979. The minimum tax and the alternative minimum tax, taken together, are shown as the "additional tax for tax preferences" in the tables.

Table 3B shows that there were two pronounced effects of splitting tax preferences into two groups and computing a separate tax on each group. On the one hand, many taxpayers escaped without any additional tax for tax preferences. Since both computations had exclusions, and the one on the alternative minimum tax form was generally larger, over half the taxpayers who previously owed an additional tax for tax preferences no longer had such a liability for 1979. On the other hand, the alternative minimum tax was a progressive tax, with a maximum rate of 25 percent, whereas the minimum tax was a flat 15 percent. As a result, the average additional tax went up considerably, from \$3,057 for 1978 to \$5,293 for 1979.

Earned Income Credit

For Tax Years 1975 through 1978, the earned income credit was computed as 10 percent of the first \$4,000 of earned income reduced by a phaseout which was equal

to 10 percent of the excess of income over \$4,000 (for phaseout purposes, income was described as the larger of earned income or adjusted gross income). Thus, the credit was available only to individuals with income under \$8,000. The earned income credit was scheduled to expire after 1978. However, the Revenue Act of 1978 not only made it permanent, but also liberalized its computation. For 1979, the earned income credit was 10 percent of the first \$5,000 of earned income, with a phaseout equalling 12.5 percent of the excess of income over \$6,000. Therefore, the credit became available to taxpayers with income between \$8,000 and \$10,000, and increased substantially for those with income between \$4,000 and \$8,000. Figure 3B illustrates the increase in frequency and amount of earned income credit in Tax Year 1979.

The Revenue Act of 1978 also included a provision which allowed taxpayers who believed they would be eligible for the earned income credit at the end of the year to receive the credit from their employers as an additional payment in their paychecks during the year. These payments were then shown on the tax return, where they became either an increase to balance due or a reduction of overpayment. Table 3C shows that of the 7.1 million taxpayers who qualified for the earned income credit for Tax Year 1979, only 29,000 claimed an advance earned income credit. Of these 29,000, some 22,000 claimed less in advance payments than they were entitled to, while nearly 7,000 claimed more.

More detail on the earned income credit is contained in section 6, Explanation of Terms.

Table 3B.--Returns With Additional Tax for Tax Preferences, 1978 and 1979

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

Size of adjusted gross income	Additional tax for tax preferences, 1978		Additional tax for tax preferences, 1979					
	Number of returns	Amount	Total		Minimum tax		Alternative minimum tax	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total.....	495,332	1,514,475	222,021	1,175,188	74,421	309,248	153,265	865,940
Under \$5,000.....	22,406	72,300	10,671	76,045	4,097	22,579	6,964	53,466
\$5,000 under \$10,000.....	12,547	18,848	4,080	8,207	.999	1,361	3,126	6,846
\$10,000 under \$15,000.....	13,545	17,753	9,323	9,020	1,549	1,453	7,852	7,567
\$15,000 under \$20,000.....	40,324	31,369	8,421	10,827	.852	2,139	7,615	8,688
\$20,000 under \$25,000.....	30,899	28,208	12,625	19,455	2,980	3,390	9,710	16,065
\$25,000 under \$30,000.....	50,862	50,076	20,134	28,117	4,473	7,957	15,707	20,159
\$30,000 under \$50,000.....	138,383	206,833	62,116	123,213	14,098	25,602	48,600	97,611
\$50,000 under \$100,000.....	125,066	348,946	56,439	254,874	25,638	82,928	32,449	171,946
\$100,000 under \$200,000.....	45,061	283,923	26,314	250,873	13,976	67,402	13,971	183,471
\$200,000 under \$500,000.....	13,278	230,156	9,413	210,520	4,703	53,466	5,610	157,053
\$500,000 under \$1,000,000.....	2,154	101,825	1,718	81,631	762	21,420	1,124	60,211
\$1,000,000 or more.....	807	124,237	767	102,407	294	19,550	537	82,857

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

For Tax Year 1979, new tax rate schedules were introduced under the Revenue Act of 1978. These were the first new tax rate schedules to be introduced since 1971 for single persons and unmarried heads of households, and the first new schedules since 1965 for married persons, whether filing jointly or separately. (The introduction of the zero bracket amount into the tax rate schedules for Tax Year 1977, as a substitute for the standard deduction, did not change the rates applicable to taxable income in excess of the zero bracket amount.) The lowest rate at which tax was generated for Tax Year 1979, as was true in earlier years, was 14 percent; the highest rate remained at 70 percent. However, there were fewer and much broader income classes between these rates, resulting in a lower tax than would have been generated under the old tax rate schedules. For example, for joint returns, there were 15 tax brackets for 1979, as opposed to 25 for 1978; the top (70 percent) bracket applied to taxable income over \$215,400, as opposed to \$203,200 for 1978. Somewhat offsetting this tax reduction, however, was the abolition of the general tax credit, first introduced (as the "exemptions tax credit") for Tax Year 1975.

Table 3.13 shows the amount of income taxed at each of the rates in the new tax rate schedules. In columns 1 through 9, each return is classified just once—by the highest (or "marginal") tax rate applicable to the return. In columns 10 through 12, the return is also classified by each lower rate at which any portion of the taxpayer's income is taxed. In other words, a return with the regular tax computation is shown in those columns at each rate which appears in the applicable tax rate schedule, up to and including the marginal tax rate.

Maximum Tax Computation

The purpose of the maximum tax was to ease, to a certain extent, the tax burden on those high income taxpayers whose income consisted largely of "personal service net income" (defined below). This was achieved by applying a maximum rate of 50 percent to income from personal service earnings, while retaining the 70 percent maximum rate for other types of income. Table 3.12 details the computation of the maximum tax, while table 3.1 shows selected characteristics of returns with the maximum tax computation, including tax savings due to the maximum tax.

"Personal service net income" basically consisted of amounts received for services actually rendered during the year (especially salaries, wages, commissions, and gains from sales of property created by the taxpayer), as well as deferred compensation for personal service rendered in the past (especially pensions). "Personal service taxable income" was obtained by multiplying taxable income by the ratio of personal service net income to adjusted gross income, and then reducing the result (limited to no more than the amount of taxable income) by the "tax preference offset," which was equal to the sum of all regular tax preferences (those reportable on Form 4625) plus the itemized deduction tax preference (from the alternative minimum tax form, Form 6251). Under a provision of the Revenue Act of 1978, the capital gains tax preference no longer had to be used to offset personal service taxable income.

As is shown in table 3.12, personal service income can be divided into three types: the zero bracket amount, at which no tax is generated; the amount taxed at regular rates in the tax rate schedules (14 through 49 percent); and the amount subject to the 50 percent maximum rate. Any remaining taxable income which is not personal service taxable income is shown as "other taxable income," and is taxed at regular rates above 50 percent.

In table 3.13, maximum tax returns are shown as follows. If the return has no "other taxable income," then it appears in columns 1 through 9 on the "50 percent maximum rate" line. On the other hand, returns with "other taxable income" appear at the same marginal rate they would have had under the regular tax computation. In columns 10 through 12, a maximum tax return appears at every rate from 0 through 49 percent in the applicable tax rate schedule, as well as at the 50 percent maximum rate. In addition, if there is "other taxable income" present, the return reappears in the marginal tax rate table at the highest rate that would have been applicable to "earned taxable income," and is shown at every applicable rate through the marginal tax rate.

Income Averaging Tax Computation

If a taxpayer's taxable income for 1979 exceeded the average taxable income for 1975-78 by one-fifth and this excess was \$3,000 or more, the taxpayer was eligible for the income averaging tax computation method. Under this computation, a part of an unusually large income in the current year was, in effect, taxed at the lower rate applicable to the first one-fifth of such income. Taxpayers choosing the income averaging tax computation were not eligible for the special 50 percent rate applicable to personal service income under the maximum tax computation.

Table 3.1 shows selected characteristics of returns with the income averaging tax computation, including tax savings due to income averaging. In table 3.13, income averaging returns are shown in the same manner as returns with the regular tax computation, except that a recomputed "income subject to tax" (described above) is used in determining the marginal tax rate.

Other Methods of Tax Computation

The Revenue Act of 1978 abolished several methods of tax computation which were available in earlier years. Among these was the alternative tax computation, which limited the tax rate on the first \$25,000 of long-term capital gains (the first \$12,500 in the case of married persons filing separately) to 50 percent. For most taxpayers, the abolition of the alternative tax was more than offset by the reduction of the includible portion of long-term capital gains in adjusted gross income from 50 to 40 percent. However, some taxpayers in the top tax bracket may have ended up with a slightly higher effective tax rate on all or a portion of their capital gains—28 percent (0.7 times 0.4) as opposed to 25 percent (0.5 times 0.5).

Also abolished for 1979 was the special computation for partially tax-exempt foreign income (since the exemption of foreign earned income no longer existed), as well as several hybrid tax computations, such as the maximum/alternative computation, the partially tax exempt/maximum computation, and the partially tax exempt/alternative computation.

Additional Tax for Tax Preferences (Minimum and Alternative Minimum Tax)

For Tax Year 1979, taxpayers with high income who might have otherwise paid little or no tax (due to large deductions, credits, or capital gain exclusions) became subject to a new "alternative minimum tax." This tax was computed, in general, by adding to taxable income any excluded long-term capital gains plus "excess" itemized deductions (those exceeding 60 percent of adjusted gross income), subtracting \$20,000, and subjecting the remainder to a graduated tax ranging from 10 to 25 percent. The alternative minimum tax was then reduced by other income taxes.

Once the taxpayer determined the tax liability, he or she then subtracted any taxpayments (such as income tax withheld or estimated tax payments) made during the year to determine any overpayment of tax or any additional amount of tax to be paid at the time the return was filed. For purposes of this report, all or part of the earned income credit was subtracted, and prepaid earned income credit added, to determine any overpayment or tax due.

The following text elaborates on the computation of some of these items, with special emphasis on computations that changed for Tax Year 1979. Further detail is contained in Section 6, "Explanation of Terms."

Income Subject to Tax

"Income subject to tax" for most taxpayers consisted of adjusted gross income less personal exemptions and, if applicable, excess itemized deductions or plus the unused zero bracket amount; in other words, it was equal to their "taxable income." This was true in the case of taxpayers using the regular tax computation or the maximum tax computation methods.

For returns with the standard income averaging tax computation method, income subject to tax was not the same as taxable income. Income subject to tax for these returns was computed for the statistics by working backward from "tax generated" to derive the amount of income subject to tax. In other words,

income subject to tax was defined as the amount of "taxable income" which would have produced the same tax had the regular tax computation method been used. The computed income subject to tax was lower than the actual amount since the tax was applied to the end result of a set of computations which determined an "average" of the taxpayer's current-year and prior-years' incomes.

Table 3A provides a summary of the types of tax computation used by taxpayers. Of the \$1.2 trillion of income subject to tax reported for 1979, \$957 billion (83 percent) was reported on returns for which the regular method of tax computation was the sole method used.

Regular Method of Tax Computation

The "regular" method of tax computation consisted of applying one of four sets of graduated tax rates to brackets of "taxable income." These tax rates were specified in the "tax rate schedules" and incorporated into the "tax tables." The set of rates used depended upon the taxpayer's marital status. For 1979, the regular method of tax computation was the sole method used on 82.0 million returns. Of these, 69.3 million had tax generated (see tables 3A and 3.1). The remaining 12.7 million returns had no tax generated because the income subject to tax on these returns consisted entirely of the zero bracket amount and as such was subject to the zero percent rate.

Table 3A.--All Returns: Selected Income Tax Items by Type of Tax Computation

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

Type of tax computation	Number of returns	Adjusted gross income less deficit	Income subject to tax		Tax generated		Income tax before credits		
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns.....	92,694,302	1,465,394,530	86,932,978	1,150,493,447	74,227,855	219,838,616	74,243,824	220,099,516	
Returns with--									
No tax computation.....	5,761,324	-306,440	-	-	-	-	3,477	18,641	
Regular tax computation only.....	81,963,134	1,226,520,868	81,963,134	957,446,186	69,258,011	160,240,834	69,270,503	160,414,032	
Income averaging tax computation.....	4,590,981	182,328,420	4,590,981	145,039,545	4,590,981	38,212,597	4,590,981	38,260,936	
Maximum tax computation.....	378,863	56,851,682	378,863	48,007,716	378,863	21,385,185	378,863	21,405,908	
No income subject to tax, but with taxes from special computation.....	3,477	8,526	-	-	-	-	3,477	18,641	
Both income subject to tax and taxes from special computation.....	288,706	8,214,835	288,706	6,260,706	276,214	1,539,420	288,706	1,781,679	
No income subject to tax but with additional tax for tax preferences:									
Minimum tax only.....	5,304	-260,218	-	-	-	-	-	+	
Alternative minimum tax only.....	14,354	160,661	-	-	-	-	87	298	
Both minimum tax and alternative minimum tax.....	972	22,687	-	-	-	-	-	-	
Income subject to tax and additional tax for tax preferences:									
Minimum tax only.....	63,452	6,011,817	63,452	4,288,376	63,141	1,813,945	63,141	1,819,482	
Alternative minimum tax only.....	133,246	9,396,068	133,246	6,050,317	128,792	2,330,718	128,866	2,335,983	
Both minimum tax and alternative minimum tax.....	4,693	815,412	4,693	369,457	4,591	167,032	4,591	168,190	
			Additional tax for tax preferences						
			Total		Minimum tax		Alternative minimum tax		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
All returns.....	71,619,111	213,319,330	222,021	1,175,188	74,421	309,248	153,265	865,940	
Returns with--									
No tax computation.....	3,014	18,420	20,630	147,279	6,276	36,170	15,326	111,109	
Regular tax computation only.....	66,719,047	156,226,296	90,727	412,963	38,463	158,206	55,167	254,757	
Income averaging tax computation.....	4,519,030	36,415,934	105,985	577,556	26,683	107,371	80,975	470,184	
Maximum tax computation.....	378,020	20,658,680	4,679	37,391	2,999	7,501	1,797	29,890	
No income subject to tax, but with taxes from special computation.....	3,014	18,420	89	2,630	+	+	87	2,344	
Both income subject to tax and taxes from special computation.....	286,241	1,726,594	3,070	16,664	964	3,829	2,188	12,835	
No income subject to tax but with additional tax for tax preferences:									
Minimum tax only.....	+	+	5,304	29,672	5,304	29,672	-	-	
Alternative minimum tax only.....	*84	*370	14,354	82,314	-	-	14,354	82,314	
Both minimum tax and alternative minimum tax.....	-	-	972	35,293	972	6,498	972	28,795	
Income subject to tax and additional tax for tax preferences:									
Minimum tax only.....	59,411	1,639,558	63,452	245,180	63,452	245,180	-	-	
Alternative minimum tax only.....	83,477	1,741,811	133,246	648,682	-	-	133,246	648,682	
Both minimum tax and alternative minimum tax.....	3,176	107,339	4,693	134,047	4,693	27,898	4,693	106,149	

*Estimate should be used with caution because of the small number of sample returns on which it is based.
 †Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
 NOTE: Detail may not add to total because of rounding.

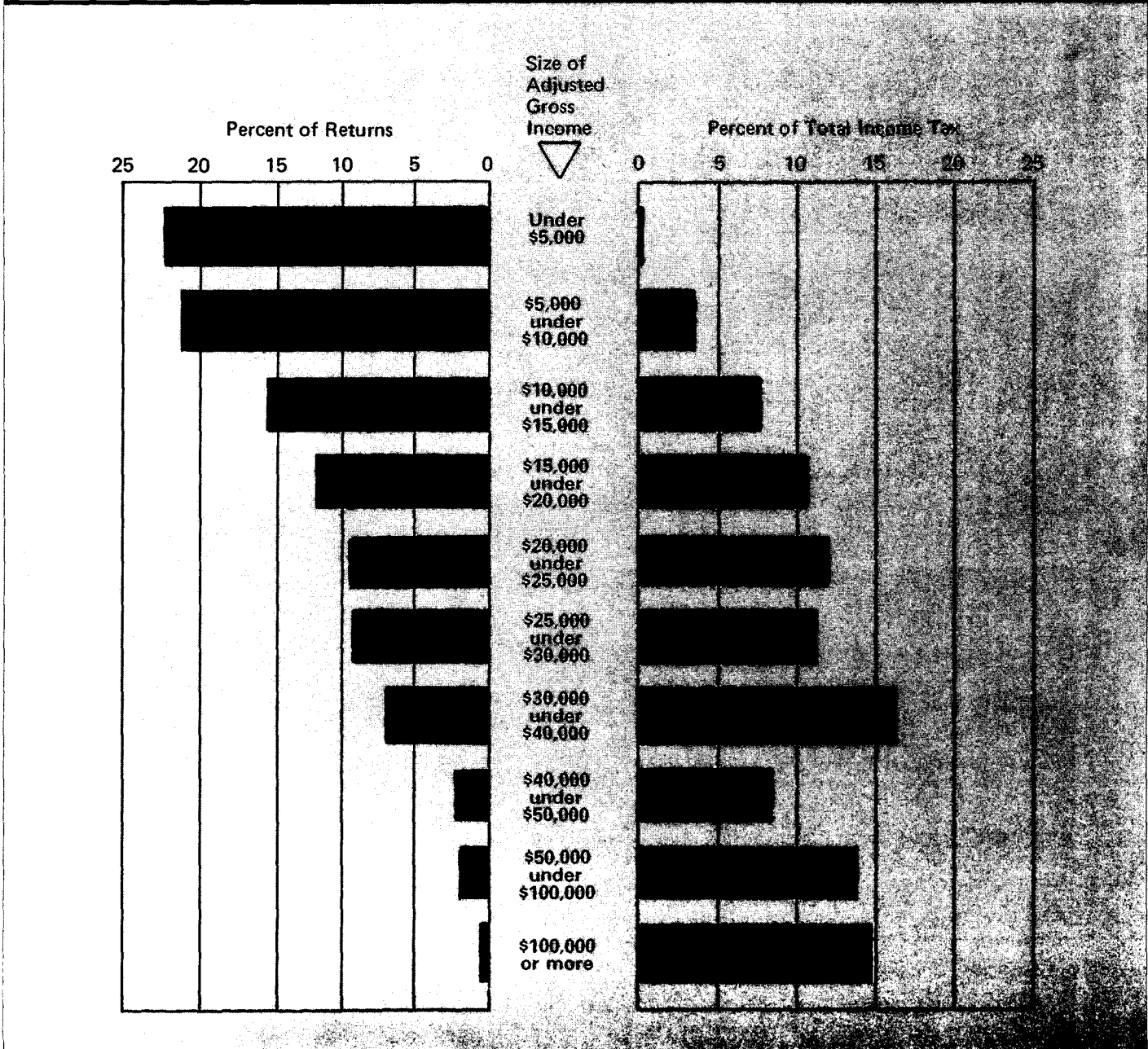
"Total income tax" consisted of the sum of income tax after credits and the additional tax for tax preferences (the minimum tax and the alternative minimum tax). This amount was created for purposes of Statistics of Income (no such amount actually appeared on the tax return itself) to determine whether a return was taxable or nontaxable. Total income tax was used to determine the taxable/nontaxable status of a return since its components were considered to be most representative of income taxes, as opposed to social security or penalty taxes, on current-year income.

Figure 3A illustrates the distribution of total income tax according to income size. The largest por-

tion of returns filed (22.5 percent) occurred in the under \$5,000 adjusted gross income class and accounted for the smallest proportion of total income tax (less than one-half of 1 percent). Conversely, the smallest proportion of returns filed (0.5 percent) occurred in the highest class, \$100,000 or more, which accounted for nearly 15 percent of total income tax.

"All other taxes" (such as the self-employment tax and the penalty taxes on individual retirement arrangements) were added to "total income tax" to determine the "total tax liability." For purposes of this report, all or a part of the earned income credit was subtracted from "all other taxes" in arriving at total tax liability.

Figure 3A
Number of Returns and Amount of Total Income Tax, Percent Distribution
by Size of Adjusted Gross Income, 1979



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Introduction

The taxpayer, in determining the 1979 total tax liability, had to take into account several factors. These included:

- (1) "income subject to tax," generally adjusted gross income minus personal exemptions and, if applicable, excess itemized deductions or plus the unused zero bracket amount,
- (2) the method of tax computation to be used on the income subject to tax (including the use of the tax tables or tax rate schedules),
- (3) marital status, which determined the applicable set of tax rates;
- (4) taxes from any of the special computations,
- (5) any tax credits the taxpayer was entitled to apply against income tax,
- (6) the additional tax for tax preferences (the minimum tax and alternative minimum tax),
- (7) any other taxes (such as the self-employment tax).

Whether the taxpayer had a balance due at time of filing or was eligible for a refund depended on the following factors:

- (1) any taxpayments made during the year (notably through withholding or payments of estimated tax),
- (2) the availability of refundable credits (such as the earned income credit), and
- (3) any advance payments of the earned income credit.

As described below, "income subject to tax" was the base used to determine "tax generated," the primary component of "income tax before credits." The amount of "tax generated" depended on the type of tax computation used and the taxpayer's marital status. To "tax generated" was added the sum of the "taxes from special computations" to determine income tax before credits. From this sum, statutory credits were subtracted to obtain "income tax after credits." For purposes of this report, all or part of the "earned income credit" (discussed later on in this section) was also subtracted in arriving at income tax after credits.

*Charles Hicks was responsible for the review and analysis of the data in this section. He was assisted by Patricia Crabbe.

Table 2.9 — Exemptions by Type and Marital Status

[All figures are estimates based on samples]

Type of exemption	All returns	Joint returns of husbands and wives	Separate returns of husbands and wives			Returns of heads of households	Returns of surviving spouses	Returns of single persons
			Total	Spouse filing	Spouse not filing			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of Returns								
Total returns	92,694,302	44,855,141	1,726,238	1,642,787	83,451	7,213,112	115,240	38,784,571
Returns with exemptions for:								
Age 65 or over.....	8,661,655	4,933,570	107,630	*101,105	*6,525	122,339	2,160	3,495,956
Blindness.....	171,330	92,507	961	*544	*417	3,506	—	74,356
Dependents:								
Total.....	36,908,080	28,113,547	551,702	519,023	32,678	6,654,372	115,240	1,473,219
Children at home.....	34,780,463	27,432,024	503,499	473,209	30,290	6,056,290	115,240	673,410
Children away from home.....	1,305,649	585,800	48,575	*48,392	*2,183	84,768	22	586,484
Parents at home.....	991,124	500,980	6,081	*5,586	*495	414,513	3,943	65,607
Parents away from home.....	395,207	245,836	1,440	1,440	—	102,724	241	44,966
Other.....	1,114,803	572,650	14,654	†	†	387,030	1,107	139,362
Returns with exemptions for other than age or blindness, total	92,694,302	44,855,141	1,726,238	1,642,787	83,451	7,213,112	115,240	38,784,571
One.....	38,993,594	—	1,123,764	1,123,764	—	558,478	—	37,311,352
Two.....	21,551,375	18,741,594	297,441	246,669	50,772	3,537,287	55,719	919,334
Three.....	12,005,677	9,596,551	180,234	159,287	20,947	1,795,068	27,956	405,868
Four.....	11,233,262	10,238,501	75,380	71,967	3,413	803,158	13,450	102,773
Five.....	5,422,292	5,044,348	36,872	*31,161	*5,711	310,031	8,282	24,759
Six or more.....	3,486,102	3,234,147	12,547	*9,939	*2,608	209,090	9,833	20,485
Number of Exemptions								
Total exemptions	224,691,732	157,546,482	2,941,905	2,708,827	233,078	19,246,927	354,271	44,602,167
Exemptions for taxpayers (and spouse).....	137,635,249	89,710,282	1,809,689	1,642,787	166,902	7,215,467	115,240	38,784,571
Exemptions for age 65 or over.....	11,322,713	7,592,453	109,805	101,105	8,700	122,339	2,160	3,495,956
Exemptions for blindness.....	173,086	94,273	961	*544	*417	3,506	—	74,356
Exemptions for dependents:								
Total.....	75,560,674	60,149,454	1,021,450	964,391	57,059	11,905,615	236,871	2,247,284
Children at home.....	70,503,146	57,688,556	920,308	870,772	49,536	10,657,484	231,514	1,005,264
Children away from home.....	2,040,426	895,706	74,155	*67,418	*6,737	150,283	44	920,238
Parents at home.....	1,050,736	530,770	6,371	*5,586	*785	438,711	3,943	70,941
Parents away from home.....	480,878	296,073	1,450	1,450	—	122,099	263	60,993
Other.....	1,485,488	738,349	19,166	†	†	537,038	1,107	189,828
Other than age or blindness, total	213,195,923	149,859,736	2,831,139	2,607,178	223,961	19,121,082	352,111	41,031,855
One.....	38,993,594	—	1,123,764	1,123,764	—	558,478	—	37,311,352
Two:								
Taxpayer (and spouse).....	38,344,003	33,483,188	348,213	246,669	101,544	3,537,549	55,719	919,334
Dependents.....	4,758,747	—	246,669	246,669	—	3,537,025	55,719	919,334
Three:								
Taxpayer (and spouse).....	21,623,176	19,193,102	201,181	159,287	41,894	1,795,069	27,956	405,868
Dependents.....	14,393,855	9,596,551	339,521	318,574	20,947	3,590,135	55,912	811,736
Four:								
Taxpayer (and spouse).....	21,477,262	20,477,002	78,793	71,967	6,826	805,244	13,450	102,773
Dependents.....	23,455,786	20,477,002	222,727	215,901	6,826	2,407,388	40,350	308,319
Five:								
Taxpayer (and spouse).....	10,474,351	10,088,696	42,583	31,161	11,422	310,031	8,282	24,759
Dependents.....	16,647,109	15,133,044	141,777	124,644	17,133	1,240,124	33,128	99,036
Six or more:								
Taxpayer (and spouse).....	6,722,863	6,468,294	15,155	9,939	5,216	209,096	9,833	20,485
Dependents.....	16,305,177	14,942,857	70,756	58,603	12,153	1,130,943	51,762	108,859

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
* Estimate should be used with caution because of the small number of sample returns on which it is based.

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Returns classified by number of exemptions other than age or blindness—Continued												
	Six or more												
	Number of returns	Number of exemptions other than age or blindness	Adjusted gross income less deficit	Salaries and wages		Total net profit less loss from business activities ¹		Sales of property net gain less loss ²		All other income less loss ³		Total income tax	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(117)	(118)	(119)	(120)	(121)	(122)	(123)	(124)	(125)	(126)	(127)	(128)	(129)	
Total.....	3,486,102	23,028,040	82,325,243	3,284,121	73,627,162	747,165	5,567,541	384,719	1,629,910	1,984,138	1,500,631	2,736,977	10,530,879
No adjusted gross income.....	30,956	207,005	-839,449	10,865	139,438	29,797	-765,810	13,695	122,807	21,014	-335,884	618	6,719
\$1 under \$1,000.....	30,680	200,527	20,345	26,439	22,025	3,254	4,419	2,576	89	6,135	-6,199	**21	**64
\$1,000 under \$2,000.....	23,373	162,932	37,022	21,095	62,176	4,444	-2,490	1,619	1,489	2,887	-24,153	**	**
\$2,000 under \$3,000.....	42,974	272,122	104,317	37,597	90,181	6,620	6,977	*1,217	*9,679	5,469	-2,520	**371	**214
\$3,000 under \$4,000.....	36,480	240,610	130,775	33,673	121,632	5,410	6,613	*230	*117	1,178	2,412	**	**
\$4,000 under \$5,000.....	57,690	378,731	259,794	51,210	215,878	13,702	9,035	4,713	25,377	14,834	9,504	**418	**509
\$5,000 under \$6,000.....	62,733	424,454	341,520	55,439	291,301	10,185	22,207	1,312	625	14,332	27,387	**	**
\$6,000 under \$7,000.....	89,535	612,035	581,270	80,134	508,619	15,816	61,212	4,871	15,265	14,922	-3,825	—	—
\$7,000 under \$8,000.....	87,585	582,258	658,856	79,507	598,497	12,734	52,604	2,317	5,284	17,196	2,471	*78	*53
\$8,000 under \$9,000.....	89,275	597,461	759,712	81,685	677,537	17,839	39,479	7,427	29,147	21,120	13,549	*1,848	*274
\$9,000 under \$10,000.....	86,303	565,455	816,853	81,285	742,555	11,995	48,735	3,309	10,919	20,354	14,644	16,732	1,066
\$10,000 under \$11,000.....	117,416	773,062	1,231,514	109,211	1,151,030	26,469	71,688	4,999	1,467	32,161	7,330	75,787	12,719
\$11,000 under \$12,000.....	100,222	666,487	1,156,398	97,815	1,159,774	16,225	17,794	5,205	9,062	31,598	-30,233	81,862	17,060
\$12,000 under \$13,000.....	117,183	778,927	1,467,168	112,257	1,413,016	16,077	75,123	5,914	5,127	28,829	-26,098	105,973	39,750
\$13,000 under \$14,000.....	123,497	819,002	1,667,474	117,700	1,598,128	19,481	99,503	5,239	-11,666	53,197	-18,490	112,849	59,389
\$14,000 under \$15,000.....	98,863	656,249	1,436,003	93,304	1,343,055	17,102	109,512	4,675	8,137	33,071	-24,700	94,747	60,135
\$15,000 under \$16,000.....	97,300	655,018	1,512,750	92,536	1,415,853	18,203	60,585	8,487	15,300	44,499	21,011	91,182	68,864
\$16,000 under \$17,000.....	112,067	751,900	1,847,627	108,751	1,774,875	12,734	77,908	3,452	7,928	50,172	-13,084	104,853	98,531
\$17,000 under \$18,000.....	137,338	920,752	2,405,878	133,894	2,332,654	24,431	73,392	11,133	7,945	69,557	-8,113	132,575	139,630
\$18,000 under \$19,000.....	128,756	856,243	2,389,518	125,151	2,266,526	28,109	101,800	6,696	6,200	68,943	14,993	127,299	146,607
\$19,000 under \$20,000.....	92,796	615,749	1,811,990	90,176	1,703,650	21,392	83,890	6,244	5,640	62,270	18,811	89,997	125,611
\$20,000 under \$25,000.....	537,634	3,569,182	12,043,778	518,642	11,334,422	90,627	549,768	45,513	37,104	353,218	122,484	525,042	1,009,415
\$25,000 under \$30,000.....	401,605	2,613,552	10,939,335	392,785	10,348,192	70,953	379,352	40,133	49,721	307,228	162,069	397,767	1,116,236
\$30,000 under \$40,000.....	418,108	2,729,861	14,346,261	400,543	13,190,168	90,741	826,615	59,649	85,682	359,282	243,795	413,294	1,787,289
\$40,000 under \$50,000.....	167,402	1,078,049	7,366,117	158,853	6,449,048	52,263	686,625	38,714	99,298	156,140	131,146	166,277	1,125,247
\$50,000 under \$75,000.....	116,614	765,997	7,000,387	102,842	5,368,993	54,960	1,223,020	47,508	202,716	113,817	205,658	115,878	1,355,512
\$75,000 under \$100,000.....	37,591	243,457	3,245,774	32,528	2,378,235	23,890	631,974	18,806	109,451	36,953	126,115	37,481	806,978
\$100,000 under \$200,000.....	36,682	241,431	4,824,522	31,865	3,489,713	25,321	728,506	23,154	267,073	36,351	339,230	36,587	1,450,431
\$200,000 under \$500,000.....	6,481	43,162	1,805,187	5,700	1,116,634	5,544	218,827	5,055	185,648	6,448	284,077	6,478	667,031
\$500,000 under \$1,000,000.....	723	4,766	480,068	627	211,100	632	37,216	644	116,266	723	115,485	723	206,194
\$1,000,000 or more.....	240	1,604	476,480	212	112,256	215	31,462	219	201,001	240	131,761	240	229,252
All returns, summary:													
Under \$5,000.....	222,153	1,461,927	-287,197	180,879	651,331	63,227	-741,255	24,050	159,568	51,517	-356,840	1,427	7,495
\$5,000 under \$10,000.....	415,431	2,781,663	3,158,210	378,050	2,818,508	68,569	224,236	19,236	61,240	87,924	54,226	18,659	1,504
\$10,000 under \$15,000.....	557,181	3,693,727	6,958,558	530,287	6,665,004	95,354	373,619	26,026	12,127	178,856	-92,192	471,218	189,053
\$15,000 under \$20,000.....	568,257	3,799,662	9,967,764	550,508	9,493,558	104,869	397,576	36,012	43,013	295,441	33,617	545,906	579,243
\$20,000 or more.....	1,723,080	11,291,061	62,527,908	1,644,397	53,998,762	415,146	5,313,364	279,395	1,353,961	1,370,400	1,861,820	1,699,767	9,753,584

¹ Estimate should be used with caution because of the small number of sample returns on which it is based.

² Data combined to avoid disclosure of information for specific taxpayers.

³ Consists of business and profession, farm, partnership, and Small Business Corporation net profit less loss.

⁴ Consists of gain less loss from sales of capital assets and gain less loss from sales of property other than capital assets.

⁵ Consists of dividends in adjusted gross income, interest received, rent, royalty, estate or trust net income less loss, pensions and annuities in adjusted gross income, State income tax refunds, alimony, unemployment compensation in adjusted gross income, and other income less loss, less statutory adjustments.

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

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Returns classified by number of exemptions other than age or blindness—Continued												
	Five											Total income tax	
	Number of returns	Adjusted gross income less deficit	Salaries and wages		Total net profit less loss from business activities ¹		Sales of property net gain less loss ²		All other income less loss ³		Number of returns	Amount	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount			
(105)	(106)	(107)	(108)	(109)	(110)	(111)	(112)	(113)	(114)	(115)	(116)		
Total	5,424,292	133,814,896	5,157,254	120,559,313	1,254,669	8,733,150	660,357	2,385,488	3,631,961	2,136,945	4,642,164	18,742,487	
No adjusted gross income.....	45,221	- 1,269,660	24,254	307,530	41,800	- 1,072,051	24,338	167,980	31,059	- 673,120	706	8,435	
\$1 under \$1,000.....	18,195	10,722	16,703	20,045	3,862	2,155	1,064	2,217	1,691	- 13,694	*10	*340	
\$1,000 under \$2,000.....	31,049	47,133	26,351	76,272	7,166	417	*1,865	- 14,180	6,759	- 15,376	**9	**166	
\$2,000 under \$3,000.....	40,810	103,565	33,375	111,605	10,225	- 19,822	4,890	14,019	12,909	- 2,237	**	**	
\$3,000 under \$4,000.....	63,214	222,319	57,122	240,279	12,691	- 13,813	2,593	19,638	11,558	- 23,765	*72	*288	
\$4,000 under \$5,000.....	66,086	299,862	59,046	315,557	15,255	11,391	5,433	13,998	13,998	- 27,729	*315	*1,249	
\$5,000 under \$6,000.....	81,339	447,830	69,803	380,312	23,382	50,228	3,088	6,931	14,842	10,359	*461	*44	
\$6,000 under \$7,000.....	89,660	585,423	82,298	528,592	17,626	39,783	4,096	11,120	19,706	5,928	*2,824	*138	
\$7,000 under \$8,000.....	106,708	800,283	97,046	727,559	22,097	54,662	2,874	8,252	20,788	9,810	*3,308	*456	
\$8,000 under \$9,000.....	132,611	1,123,641	125,868	1,053,239	26,183	77,096	9,951	13,987	37,088	- 20,681	13,721	814	
\$9,000 under \$10,000.....	123,927	1,176,506	114,353	1,079,707	26,068	67,708	6,938	9,605	57,152	19,487	96,653	13,643	
\$10,000 under \$11,000.....	116,683	1,221,510	109,680	1,100,580	27,573	113,086	11,570	17,934	47,017	- 10,089	101,103	29,317	
\$11,000 under \$12,000.....	155,812	1,791,605	145,510	1,671,610	33,144	78,480	11,192	30,602	68,285	10,914	139,581	60,558	
\$12,000 under \$13,000.....	151,372	1,894,786	145,753	1,778,310	29,886	85,339	8,784	21,937	74,367	9,200	137,832	77,901	
\$13,000 under \$14,000.....	158,028	2,129,638	152,040	2,029,569	33,786	127,185	6,521	4,948	82,828	- 32,064	151,540	111,216	
\$14,000 under \$15,000.....	167,604	2,436,145	161,800	2,320,309	39,910	139,397	8,642	10,749	92,231	- 34,309	157,020	137,735	
\$15,000 under \$16,000.....	180,736	2,809,044	173,526	2,675,845	34,753	141,117	13,403	21,978	88,655	- 29,896	177,343	181,231	
\$16,000 under \$17,000.....	172,678	2,847,989	166,934	2,725,315	36,957	81,982	10,667	15,823	84,896	24,868	170,009	202,352	
\$17,000 under \$18,000.....	163,787	2,873,324	157,354	2,750,400	38,066	111,508	12,653	10,423	98,477	992	159,712	214,531	
\$18,000 under \$19,000.....	184,440	3,410,259	176,680	3,138,342	33,322	181,682	13,663	12,339	118,355	77,896	179,018	267,184	
\$19,000 under \$20,000.....	190,770	3,719,579	188,632	3,603,613	25,843	80,504	9,655	8,783	122,545	67,799	189,027	320,778	
\$20,000 under \$25,000.....	896,802	20,112,531	870,836	19,102,691	161,217	775,836	63,061	141,175	653,983	92,829	889,487	1,983,025	
\$25,000 under \$30,000.....	713,511	19,472,027	698,985	18,443,808	132,214	595,763	68,000	134,650	590,559	297,806	705,878	2,269,616	
\$30,000 under \$40,000.....	805,578	27,421,649	782,206	25,549,155	164,149	1,283,864	131,257	198,443	735,689	390,187	801,284	3,817,749	
\$40,000 under \$50,000.....	261,568	11,551,729	248,238	9,982,624	85,394	1,137,757	68,497	154,934	246,003	276,413	261,290	1,914,216	
\$50,000 under \$75,000.....	184,499	11,007,182	166,200	8,488,064	89,113	1,909,735	80,792	264,384	180,110	344,999	182,979	2,211,827	
\$75,000 under \$100,000.....	60,768	5,222,473	52,792	3,717,993	38,843	1,111,236	34,239	163,711	59,836	229,533	60,167	1,324,589	
\$100,000 under \$200,000.....	50,127	6,583,151	44,441	4,675,587	35,187	1,078,576	32,138	309,009	49,900	519,978	50,112	2,056,495	
\$200,000 under \$500,000.....	9,518	2,654,305	8,376	1,584,688	7,881	391,761	7,406	267,095	9,486	410,762	9,513	1,030,539	
\$500,000 under \$1,000,000.....	921	605,347	817	255,875	834	60,002	628	152,308	919	137,161	921	261,824	
\$1,000,000 or more.....	270	503,000	235	124,237	242	50,587	259	204,052	270	124,123	269	244,232	
All returns, summary:													
Under \$5,000.....	264,575	- 586,059	216,851	1,071,288	90,999	- 1,091,723	40,183	190,317	77,974	- 755,941	1,112	10,478	
\$5,000 under \$10,000.....	534,245	4,133,683	489,368	3,769,409	115,356	289,478	26,947	49,895	149,576	24,902	116,967	15,094	
\$10,000 under \$15,000.....	749,499	9,473,685	714,783	8,900,378	164,299	543,486	46,709	86,169	364,728	- 56,348	687,076	416,727	
\$15,000 under \$20,000.....	892,411	15,660,194	863,126	14,893,515	168,941	596,793	60,041	69,346	512,928	100,539	875,109	1,186,075	
\$20,000 or more.....	2,983,562	105,133,393	2,873,126	91,924,722	715,074	8,395,116	486,477	1,989,761	2,526,755	2,823,793	2,961,900	17,114,113	

Footnote(s) at end of table.

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Returns classified by number of exemptions other than age or blindness—Continued											
	Four											
	Number of returns	Adjusted gross income less deficit	Salaries and wages		Total net profit less loss from business activities ¹		Sales of property net gain less loss ²		All other income less loss ³		Total income tax	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(93)	(94)	(95)	(96)	(97)	(98)	(99)	(100)	(101)	(102)	(103)	(104)	
Total	11,233,262	267,820,350	10,711,295	242,408,959	2,532,592	16,242,083	1,386,697	4,155,416	7,721,864	5,013,892	9,726,179	38,207,856
No adjusted gross income.....	70,561	- 1,808,673	38,216	398,212	69,599	- 1,643,924	27,439	186,417	44,015	- 749,378	1,560	11,001
\$1 under \$1,000.....	47,739	28,685	37,841	90,680	12,865	- 30,363	2,842	10,524	11,498	- 42,155	*40	*212
\$1,000 under \$2,000.....	61,125	85,900	51,022	115,661	16,818	- 17,920	4,795	11,032	11,195	- 22,874	*615	*1,377
\$2,000 under \$3,000.....	110,673	273,616	98,466	311,225	17,085	- 25,603	5,773	14,090	30,380	- 26,095	—	—
\$3,000 under \$4,000.....	124,560	441,380	105,606	389,684	36,884	6,713	13,555	15,863	35,110	29,121	*191	*334
\$4,000 under \$5,000.....	151,464	684,697	137,009	636,608	33,461	22,481	4,613	11,738	35,848	13,870	**1,794	**81
\$5,000 under \$6,000.....	179,502	996,496	157,988	909,976	47,555	75,130	13,424	22,271	53,135	- 10,881	**	**
\$6,000 under \$7,000.....	214,292	1,395,238	195,291	1,353,725	41,919	70,912	11,994	10,055	56,807	- 39,454	8,789	621
\$7,000 under \$8,000.....	261,959	1,962,164	245,278	1,832,615	46,644	110,338	13,130	16,835	65,735	2,375	11,973	2,088
\$8,000 under \$9,000.....	264,714	2,250,099	240,005	2,025,680	59,495	242,276	19,239	29,921	98,054	- 47,778	126,543	16,803
\$9,000 under \$10,000.....	274,996	2,615,004	258,651	2,419,776	57,935	142,797	14,056	11,294	101,074	41,138	230,809	62,463
\$10,000 under \$11,000.....	269,422	2,819,675	250,856	2,573,811	55,637	172,383	17,930	42,391	107,016	31,090	250,990	109,787
\$11,000 under \$12,000.....	249,084	2,868,528	237,791	2,761,128	46,559	130,964	9,377	13,914	99,154	- 37,478	234,681	139,347
\$12,000 under \$13,000.....	325,750	4,077,011	311,059	3,773,513	76,530	245,194	29,018	47,061	155,285	11,243	311,268	225,560
\$13,000 under \$14,000.....	289,713	3,912,095	279,880	3,751,215	53,873	159,992	15,793	19,320	159,281	- 18,433	283,291	251,843
\$14,000 under \$15,000.....	344,831	4,988,503	330,440	4,640,363	66,817	303,354	17,715	28,538	186,870	16,249	337,405	344,617
\$15,000 under \$16,000.....	311,574	4,834,836	295,856	4,542,222	66,609	309,201	27,007	26,222	191,234	- 42,808	302,407	356,586
\$16,000 under \$17,000.....	361,997	5,971,127	350,334	5,714,813	79,921	290,391	28,875	53,272	221,389	- 87,348	352,193	485,489
\$17,000 under \$18,000.....	342,161	5,986,606	331,311	5,672,253	67,249	231,006	28,042	27,304	208,203	56,043	333,975	512,195
\$18,000 under \$19,000.....	404,739	7,494,789	393,122	7,034,560	78,927	301,654	33,143	51,256	278,257	107,318	400,391	701,243
\$19,000 under \$20,000.....	414,630	8,079,454	404,849	7,739,498	80,990	318,956	34,843	44,865	293,900	- 23,864	409,161	771,760
\$20,000 under \$25,000.....	1,969,205	44,132,777	1,930,643	42,237,121	351,930	1,438,806	155,321	153,745	1,504,030	303,105	1,957,656	4,845,283
\$25,000 under \$30,000.....	1,522,197	41,635,781	1,490,678	39,341,845	264,665	1,491,145	155,855	116,633	1,279,657	686,158	1,513,382	5,272,747
\$30,000 under \$40,000.....	1,596,932	54,474,212	1,552,145	50,502,778	342,040	2,476,403	300,461	448,836	1,464,708	1,046,196	1,592,047	8,070,301
\$40,000 under \$50,000.....	548,437	24,205,964	521,030	21,116,782	170,459	2,085,964	140,333	328,836	516,965	674,381	546,553	4,232,901
\$50,000 under \$75,000.....	334,580	19,864,443	303,017	15,344,794	161,795	3,296,301	146,167	432,032	328,513	791,316	332,541	4,235,443
\$75,000 under \$100,000.....	97,148	8,304,284	85,533	5,964,377	62,224	1,607,826	55,271	360,210	95,877	371,870	96,857	2,149,226
\$100,000 under \$200,000.....	74,182	9,667,352	64,066	6,506,225	53,522	1,751,833	48,179	514,563	73,622	894,731	74,047	3,090,221
\$200,000 under \$500,000.....	13,228	3,663,049	11,683	2,096,144	10,916	484,579	10,816	450,134	13,186	632,191	13,214	1,427,921
\$500,000 under \$1,000,000.....	1,412	934,830	1,233	360,981	1,254	111,931	1,262	249,364	1,412	212,555	1,411	416,023
\$1,000,000 or more.....	455	980,428	396	250,696	415	81,363	429	406,878	454	241,491	455	474,381
All returns, summary:												
Under \$5,000.....	566,122	- 294,394	468,160	1,942,069	186,712	- 1,688,616	59,017	249,664	168,046	- 597,512	4,198	12,989
\$5,000 under \$10,000.....	1,195,463	9,219,000	1,097,213	8,541,772	253,548	641,453	71,843	90,377	374,805	- 54,601	378,116	81,992
\$10,000 under \$15,000.....	1,478,800	18,665,812	1,410,026	17,500,029	299,416	1,011,888	89,833	151,224	707,606	2,670	1,417,635	1,071,153
\$15,000 under \$20,000.....	1,835,101	32,366,813	1,775,472	30,703,346	373,696	1,451,208	151,910	202,919	1,192,983	9,340	1,798,067	2,827,275
\$20,000 or more.....	6,157,776	207,863,119	5,960,424	183,721,742	1,419,220	14,826,151	1,014,094	3,461,233	5,278,424	5,853,994	6,128,163	34,214,447

Footnote(s) at end of table.

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Returns classified by number of exemptions other than age or blindness—Continued											
	Three											
	Number of returns	Adjusted gross income less deficit	Salaries and wages		Total net profit less loss from business activities ¹		Sales of property net gain less loss ²		All other income less loss ³		Total income tax	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(81)	(82)	(83)	(84)	(85)	(86)	(87)	(88)	(89)	(90)	(91)	(92)	
Total	12,005,677	248,169,314	11,344,088	219,707,539	2,312,069	13,332,336	1,233,497	4,207,695	7,530,268	10,921,744	9,984,455	36,580,912
No adjusted gross income.....	78,289	- 1,546,053	38,784	396,961	74,282	- 1,535,506	30,609	174,998	51,120	- 582,506	1,677	13,066
\$1 under \$1,000.....	76,090	41,178	64,974	59,966	17,992	- 20,648	2,509	10,902	15,947	- 9,043	* 183	* 142
\$1,000 under \$2,000.....	144,892	219,211	121,507	223,985	19,161	- 24,966	1,566	10,206	35,032	9,986	* 210	* 336
\$2,000 under \$3,000.....	163,403	405,609	143,413	375,466	32,376	- 14,226	8,645	12,337	39,732	32,033	—	—
\$3,000 under \$4,000.....	232,266	818,530	208,485	771,683	35,159	- 4,622	11,569	10,051	66,925	41,418	* 355	* 20
\$4,000 under \$5,000.....	235,387	1,062,822	204,131	954,754	37,505	55,974	8,355	7,165	53,555	44,928	* 6,818	* 222
\$5,000 under \$6,000.....	308,302	1,707,171	280,039	1,565,913	50,992	80,440	7,686	7,231	86,057	53,587	37,663	3,617
\$6,000 under \$7,000.....	411,979	2,665,317	373,231	2,392,795	52,161	137,171	13,960	12,266	122,602	123,065	54,955	8,639
\$7,000 under \$8,000.....	416,087	3,120,940	390,582	2,876,950	66,761	146,558	11,771	12,805	122,516	84,627	116,188	22,695
\$8,000 under \$9,000.....	382,336	3,248,221	357,157	2,996,135	54,595	122,277	23,545	10,688	134,952	119,121	324,813	71,987
\$9,000 under \$10,000.....	409,917	3,894,267	382,165	3,563,370	59,133	161,735	12,071	34,065	146,645	135,096	388,592	169,022
\$10,000 under \$11,000.....	384,828	4,043,706	361,650	3,693,455	64,383	188,537	14,881	14,916	150,356	146,798	371,350	233,975
\$11,000 under \$12,000.....	401,308	4,604,561	378,782	4,251,322	66,168	232,306	23,621	2,334	162,479	118,600	388,138	307,474
\$12,000 under \$13,000.....	398,747	4,975,853	379,449	4,520,573	65,741	210,067	28,028	36,100	207,262	209,113	391,945	362,506
\$13,000 under \$14,000.....	410,915	5,555,035	398,875	5,131,017	65,132	189,191	20,662	22,007	197,199	212,821	403,519	449,680
\$14,000 under \$15,000.....	381,712	5,540,393	364,229	5,080,961	69,560	249,469	29,963	34,538	199,802	175,426	373,632	469,119
\$15,000 under \$16,000.....	386,908	5,993,016	372,367	5,600,123	68,833	254,279	21,412	6,248	228,102	132,365	381,368	540,705
\$16,000 under \$17,000.....	376,168	6,202,664	360,501	5,736,245	64,162	253,843	17,378	52,961	246,948	159,615	371,261	596,783
\$17,000 under \$18,000.....	399,443	6,990,481	384,589	6,510,292	71,275	248,633	28,361	52,872	243,015	178,685	394,302	715,061
\$18,000 under \$19,000.....	414,465	7,667,439	396,979	7,130,075	69,304	308,680	34,167	36,285	264,994	192,398	409,055	816,684
\$19,000 under \$20,000.....	393,932	7,678,136	380,154	7,168,333	62,424	293,065	23,807	30,935	267,183	185,804	389,389	858,721
\$20,000 under \$25,000.....	1,768,949	39,550,881	1,721,109	37,028,619	293,273	1,307,155	146,533	213,531	1,364,430	1,001,577	1,759,869	4,887,468
\$25,000 under \$30,000.....	1,256,151	34,356,678	1,224,665	31,842,967	235,047	1,371,766	147,421	224,890	1,070,777	917,056	1,250,582	4,828,009
\$30,000 under \$40,000.....	1,327,257	45,250,200	1,284,147	40,856,252	275,266	2,181,310	230,822	499,664	1,224,984	1,712,974	1,323,702	7,345,956
\$40,000 under \$50,000.....	435,710	19,172,449	410,526	16,272,046	125,596	1,574,715	121,674	284,852	422,879	1,040,835	435,404	3,694,407
\$50,000 under \$75,000.....	266,575	15,658,631	237,688	11,553,334	120,900	2,476,991	118,925	461,386	262,467	1,166,920	266,143	3,557,631
\$75,000 under \$100,000.....	70,967	6,092,750	61,182	4,025,281	43,562	1,084,391	40,706	270,480	70,158	712,598	70,902	1,715,814
\$100,000 under \$200,000.....	57,712	7,560,303	49,847	4,678,507	39,371	1,163,698	40,340	489,021	57,213	1,229,076	57,469	2,508,327
\$200,000 under \$500,000.....	13,042	3,652,399	11,242	1,898,317	10,265	449,227	10,750	468,679	13,000	836,176	13,033	1,476,886
\$500,000 under \$1,000,000.....	1,424	937,360	1,211	355,776	1,229	96,672	1,272	223,843	1,422	261,068	1,422	420,025
\$1,000,000 or more.....	516	1,049,146	428	196,067	461	94,154	488	479,401	515	279,524	516	505,937
All returns, summary:												
Under \$5,000.....	930,327	1,001,296	781,294	2,782,814	216,475	- 1,543,994	63,253	225,659	262,311	- 463,183	9,243	13,786
\$5,000 under \$10,000.....	1,928,621	14,635,936	1,783,174	13,395,163	283,642	648,181	69,033	77,095	612,772	515,496	922,211	275,960
\$10,000 under \$15,000.....	1,977,510	24,719,549	1,882,985	22,677,328	330,984	1,069,569	117,155	109,895	917,098	862,757	1,928,584	1,822,754
\$15,000 under \$20,000.....	1,970,916	34,531,736	1,894,590	32,145,067	335,998	1,358,500	125,125	179,301	1,250,242	848,868	1,945,375	3,527,953
\$20,000 or more.....	5,198,303	173,280,796	5,002,045	148,707,166	1,144,970	11,800,079	858,931	3,615,746	4,487,845	9,157,806	5,179,042	30,940,459

Footnote(s) at end of table.

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Returns classified by number of exemptions other than age or blindness—Continued											
	Two											
	Number of returns	Adjusted gross income less deficit	Salaries and wages		Total net profit less loss from business activities ¹		Sales of property, net gain less loss ²		All other income less loss ³		Total income tax	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)	
Total	21,551,375	414,825,898	18,022,898	310,961,591	4,096,178	22,621,339	3,245,621	12,143,328	15,832,730	69,099,641	17,648,347	67,825,402
No adjusted gross income.....	139,947	- 2,524,952	54,078	475,905	115,191	- 2,395,241	48,710	379,903	103,699	- 985,519	2,592	24,478
\$1 under \$1,000.....	232,813	136,772	157,869	178,148	51,954	- 51,305	12,568	23,449	92,353	- 13,520	* 1,677	* 5,366
\$1,000 under \$2,000.....	338,153	517,843	249,904	430,935	59,762	- 39,910	15,681	36,445	133,450	90,373	* 13	* 120
\$2,000 under \$3,000.....	479,641	1,195,020	369,248	926,709	86,485	- 12,239	21,269	24,986	214,260	255,564	* 71	* 73
\$3,000 under \$4,000.....	565,686	2,009,430	437,800	1,458,748	81,578	101,906	30,479	5,050	283,149	443,726	5,446	142
\$4,000 under \$5,000.....	733,091	3,289,465	561,165	2,273,628	119,552	227,345	49,920	11,835	372,732	776,657	56,959	4,297
\$5,000 under \$6,000.....	837,200	4,609,642	639,728	3,243,416	143,090	176,688	59,763	65,924	424,384	1,123,615	197,797	22,151
\$6,000 under \$7,000.....	912,202	5,938,190	683,138	4,068,526	120,169	195,450	78,915	108,306	524,546	1,565,908	441,886	80,946
\$7,000 under \$8,000.....	902,428	6,761,511	661,157	4,397,778	120,417	309,263	82,269	47,088	531,891	2,007,382	742,602	166,077
\$8,000 under \$9,000.....	896,146	7,618,143	660,225	5,077,995	139,711	310,410	102,976	110,258	531,478	2,119,479	846,247	320,389
\$9,000 under \$10,000.....	822,016	7,803,835	631,354	5,509,031	134,610	167,821	89,272	126,455	528,895	2,000,527	789,719	441,049
\$10,000 under \$11,000.....	746,584	7,834,416	603,290	5,626,945	100,997	214,517	75,240	111,390	485,703	1,881,564	718,253	525,637
\$11,000 under \$12,000.....	768,498	8,843,354	630,182	6,560,941	126,064	419,979	100,173	73,136	497,361	1,789,298	752,010	685,471
\$12,000 under \$13,000.....	699,108	8,726,398	565,433	6,418,787	117,893	282,585	101,538	134,512	490,979	1,890,514	686,784	730,004
\$13,000 under \$14,000.....	706,595	9,555,908	600,733	7,354,725	113,904	372,964	68,595	80,124	500,209	1,748,095	694,426	877,548
\$14,000 under \$15,000.....	709,231	10,290,665	611,829	8,095,123	118,528	490,748	88,650	122,567	498,944	1,582,228	704,302	1,027,351
\$15,000 under \$16,000.....	661,080	10,239,985	574,816	8,153,080	108,098	430,448	67,539	90,659	508,356	1,565,799	649,466	1,053,181
\$16,000 under \$17,000.....	644,280	10,628,463	558,615	8,462,381	116,668	442,450	89,254	184,197	474,719	1,539,435	639,761	1,180,995
\$17,000 under \$18,000.....	631,516	11,045,129	551,980	8,695,974	107,509	480,369	89,262	132,644	486,764	1,736,142	626,480	1,286,304
\$18,000 under \$19,000.....	631,523	11,686,230	565,324	9,718,424	97,893	341,179	66,852	65,579	493,697	1,561,048	626,265	1,420,547
\$19,000 under \$20,000.....	601,566	11,735,135	548,221	9,810,923	95,863	406,491	62,420	149,627	476,231	1,368,094	598,351	1,472,564
\$20,000 under \$25,000.....	2,609,314	58,413,242	2,376,335	49,030,998	459,051	2,106,634	361,676	630,017	2,181,386	6,645,592	2,595,600	7,990,714
\$25,000 under \$30,000.....	1,887,197	51,615,055	1,736,599	43,402,905	336,714	2,003,954	320,572	705,913	1,722,356	5,502,283	1,884,062	8,007,776
\$30,000 under \$40,000.....	1,936,906	66,174,759	1,773,531	54,573,978	411,945	3,442,815	437,251	944,726	1,830,865	7,213,340	1,932,182	11,757,888
\$40,000 under \$50,000.....	706,627	31,210,898	621,882	23,200,563	215,008	2,431,812	260,261	869,937	696,214	4,708,566	705,558	6,450,612
\$50,000 under \$75,000.....	469,583	27,736,402	381,896	16,881,320	211,060	3,777,637	253,901	1,220,968	466,618	5,856,478	467,744	6,799,466
\$75,000 under \$100,000.....	131,378	11,252,773	100,390	5,651,651	79,778	1,946,714	90,709	685,570	130,835	2,968,839	131,144	3,302,670
\$100,000 under \$200,000.....	114,110	15,137,494	87,778	6,930,685	78,183	2,294,523	87,744	1,358,747	113,732	4,553,539	114,020	5,307,194
\$200,000 under \$500,000.....	31,154	8,919,793	23,821	3,258,065	23,708	1,141,271	26,740	1,267,348	31,125	3,253,109	31,132	3,737,167
\$500,000 under \$1,000,000.....	4,202	2,794,734	3,291	714,617	3,451	280,741	3,895	688,565	4,201	1,110,811	4,199	1,291,000
\$1,000,000 or more.....	1,600	3,630,165	1,286	378,686	1,344	323,420	1,527	1,687,403	1,598	1,240,656	1,599	1,856,223
All returns, summary:												
Under \$5,000.....	2,489,331	4,623,578	1,830,064	5,744,074	514,522	- 2,169,445	178,627	481,667	1,199,643	567,291	66,758	34,477
\$5,000 under \$10,000.....	4,369,992	32,731,321	3,275,602	22,296,747	657,997	1,159,632	413,195	458,031	2,541,194	8,816,911	3,018,251	1,030,612
\$10,000 under \$15,000.....	3,630,016	45,250,741	3,011,467	34,056,520	577,386	1,780,792	434,196	521,729	2,473,196	8,891,699	3,555,775	3,846,011
\$15,000 under \$20,000.....	3,169,965	55,334,942	2,798,956	44,840,781	526,031	2,100,936	375,327	622,707	2,439,767	7,770,518	3,140,323	6,413,592
\$20,000 or more.....	7,892,071	276,885,316	7,106,809	204,023,468	1,820,242	19,749,423	1,844,276	10,059,193	7,178,930	43,053,231	7,867,240	56,500,710

Footnote(s) at end of table.

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Returns classified by number of exemptions other than age or blindness—Continued											
	One											
	Number of returns	Adjusted gross income less deficit	Salaries and wages		Total net profit less loss from business activities ¹		Sales of property net gain less loss ²		All other income less loss ³		Total income tax	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	
Total	38,993,594	318,438,830	34,680,990	261,986,826	2,320,959	6,872,734	2,215,768	4,887,559	18,110,257	44,691,712	26,956,861	42,608,983
No adjusted gross income	177,130	- 1,398,049	49,869	230,248	141,203	- 1,207,611	41,186	104,763	104,186	- 525,449	818	6,773
\$1 under \$1,000	2,841,371	1,631,990	2,662,742	1,587,090	88,948	- 10,963	20,914	4,733	503,538	51,130	* 7	* 142
\$1,000 under \$2,000	3,929,532	5,882,743	3,652,454	5,371,153	132,489	66,411	58,119	- 670	1,187,953	445,849	97,626	5,739
\$2,000 under \$3,000	3,657,443	9,059,962	3,366,837	8,193,017	164,116	127,533	100,257	58,383	1,289,599	681,030	122,443	14,812
\$3,000 under \$4,000	3,095,710	10,796,257	2,748,631	9,320,824	181,400	244,409	99,762	43,127	1,156,126	1,187,897	1,950,833	100,679
\$4,000 under \$5,000	2,689,873	12,062,966	2,269,522	9,827,008	151,929	231,652	106,579	39,483	1,146,901	1,964,823	2,464,433	395,054
\$5,000 under \$6,000	2,621,690	14,437,184	2,217,137	11,897,589	101,438	242,816	102,828	63,032	1,104,125	2,233,748	2,507,628	783,060
\$6,000 under \$7,000	2,582,060	16,746,021	2,262,033	14,339,390	117,117	255,873	93,329	46,743	1,060,595	2,104,015	2,523,145	1,216,546
\$7,000 under \$8,000	2,241,070	16,782,161	1,966,675	14,248,574	96,520	207,524	94,879	59,284	1,042,043	2,266,778	2,215,526	1,443,499
\$8,000 under \$9,000	1,965,135	16,692,180	1,749,959	14,466,583	99,442	352,646	93,372	57,611	874,090	1,815,340	1,945,843	1,637,161
\$9,000 under \$10,000	1,811,151	17,176,875	1,639,906	15,102,707	100,432	277,484	90,176	64,214	899,036	1,732,470	1,801,335	1,864,311
\$10,000 under \$11,000	1,568,830	16,476,557	1,387,701	14,279,646	100,414	256,598	94,074	108,963	839,883	1,831,350	1,556,925	1,923,380
\$11,000 under \$12,000	1,332,557	15,297,002	1,194,363	13,344,002	68,382	202,308	71,497	71,685	736,576	1,679,006	1,322,409	1,898,212
\$12,000 under \$13,000	1,234,614	15,407,509	1,104,503	13,304,996	56,509	144,056	79,343	93,940	723,662	1,864,517	1,231,880	2,022,986
\$13,000 under \$14,000	1,034,865	13,957,995	937,298	12,195,920	50,514	215,350	63,894	77,328	669,250	1,469,396	1,026,267	1,929,809
\$14,000 under \$15,000	869,383	12,601,851	802,978	11,304,467	50,471	167,543	74,792	74,793	564,942	1,055,048	865,925	1,837,649
\$15,000 under \$16,000	789,538	12,232,657	725,560	10,778,300	53,268	131,737	66,247	84,665	518,337	1,237,956	788,450	1,841,121
\$16,000 under \$17,000	674,031	11,109,379	628,927	10,022,337	48,873	159,739	54,469	59,544	468,149	867,759	672,917	1,750,335
\$17,000 under \$18,000	566,829	9,908,142	495,758	8,490,828	36,456	189,620	58,605	167,015	410,256	1,060,680	564,695	1,612,753
\$18,000 under \$19,000	481,958	8,910,970	438,546	7,691,575	32,825	240,102	32,825	37,980	362,306	941,314	480,579	1,478,889
\$19,000 under \$20,000	436,145	8,488,320	399,038	7,432,329	37,430	158,614	59,185	35,087	328,898	862,291	435,351	1,444,031
\$20,000 under \$25,000	1,239,510	27,434,604	1,115,822	22,956,291	151,810	785,268	198,945	341,485	1,036,771	3,371,561	1,235,916	5,018,781
\$25,000 under \$30,000	528,460	14,356,080	434,253	10,854,169	80,875	625,685	147,937	274,827	483,953	2,601,399	524,517	2,882,945
\$30,000 under \$40,000	361,422	12,259,758	274,125	7,866,627	76,550	752,091	139,677	395,539	341,075	3,225,500	359,327	2,707,037
\$40,000 under \$50,000	109,508	4,800,589	71,174	2,373,568	34,732	507,633	49,155	314,160	105,859	1,605,228	109,122	1,175,689
\$50,000 under \$75,000	94,647	5,577,291	56,146	2,266,814	36,215	677,179	57,584	400,653	93,527	2,212,645	93,982	1,593,298
\$75,000 under \$100,000	25,528	2,200,418	12,285	683,477	12,683	236,036	18,900	189,498	25,269	1,081,407	25,451	758,507
\$100,000 under \$200,000	25,059	3,278,012	12,641	919,093	12,887	370,994	17,790	378,256	24,829	1,609,669	24,975	1,243,005
\$200,000 under \$500,000	6,803	1,975,656	3,330	414,305	3,909	158,375	5,669	372,428	6,782	1,030,548	6,795	879,467
\$500,000 under \$1,000,000	1,222	818,842	541	102,686	777	72,084	1,077	179,866	1,221	464,207	1,221	377,529
\$1,000,000 or more	520	- 1,476,908	236	81,214	345	53,950	472	679,145	520	662,599	520	763,783
All-returns; summary:												
Under \$5,000	16,391,059	38,035,869	14,750,055	34,529,339	860,085	- 548,569	426,817	249,819	5,388,303	3,805,280	4,636,160	523,199
\$5,000 under \$10,000	11,221,106	81,834,421	9,835,710	70,054,844	514,949	1,336,342	474,584	290,883	4,979,889	10,152,352	10,993,477	6,944,577
\$10,000 under \$15,000	6,040,249	73,740,913	5,426,843	64,429,031	326,290	985,855	383,600	426,709	3,534,313	7,899,317	6,003,406	9,612,037
\$15,000 under \$20,000	2,948,501	50,649,470	2,687,829	44,415,369	208,852	879,811	293,561	384,290	2,087,946	4,970,000	2,941,992	8,127,130
\$20,000 or more	2,392,679	74,178,158	1,980,553	48,558,243	410,783	4,219,294	637,206	3,535,858	2,119,806	17,864,763	2,381,826	17,400,041

Footnote(s) at end of table.

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Returns classified by number of exemptions other than age or blindness													
	Total													
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Salaries and wages		Total net profit less loss from business activities ¹		Sales of property net gain less loss ²		All other income less loss ³		Total income tax		
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)		
Total.....	92,694,302	213,195,923	1,465,394,530	83,200,646	1,229,251,389	13,263,632	73,369,182	9,126,659	29,409,396	54,811,218	133,364,564	71,694,983	214,494,519	
No adjusted gross income.....	542,104	1,407,245	- 9,386,836	216,066	1,948,294	471,872	- 8,620,141	185,977	1,136,868	355,093	- 3,851,857	7,971	70,473	
\$1 under \$1,000.....	3,246,888	4,017,725	1,869,692	2,966,568	1,957,954	178,875	- 106,706	42,473	51,925	631,162	- 33,481	1,936	6,261	
\$1,000 under \$2,000.....	4,528,124	5,603,191	6,789,852	4,122,333	6,280,182	239,840	- 18,458	83,645	44,322	1,377,276	483,806	98,473	7,600	
\$2,000 under \$3,000.....	4,494,944	6,025,798	11,142,090	4,048,936	10,008,202	316,907	62,620	142,051	133,494	1,592,349	937,775	122,886	15,240	
\$3,000 under \$4,000.....	4,117,916	5,978,800	14,418,690	3,591,317	12,302,850	353,122	341,205	158,188	93,847	1,554,046	1,680,788	1,956,898	101,466	
\$4,000 under \$5,000.....	3,933,591	6,177,233	17,659,606	3,282,083	14,223,434	371,404	557,879	179,613	96,240	1,637,868	2,782,054	2,530,734	401,385	
\$5,000 under \$6,000.....	4,090,766	6,770,153	22,539,843	3,420,134	18,288,507	376,642	647,508	188,101	166,013	1,696,875	3,437,815	2,743,552	808,901	
\$6,000 under \$7,000.....	4,299,728	7,559,904	27,911,459	3,676,125	23,191,648	364,808	760,400	207,165	203,775	1,799,178	3,755,636	3,031,599	1,306,890	
\$7,000 under \$8,000.....	4,015,837	7,457,821	30,085,916	3,440,245	24,681,973	365,173	880,950	207,240	149,549	1,800,169	4,373,443	3,089,675	1,634,968	
\$8,000 under \$9,000.....	3,730,217	7,223,807	31,691,995	3,214,899	26,297,169	397,265	1,144,185	256,510	251,612	1,696,782	3,999,030	3,259,015	2,047,427	
\$9,000 under \$10,000.....	3,528,310	6,970,008	33,483,359	3,107,714	28,417,146	390,173	866,279	215,822	256,572	1,753,156	3,943,362	3,323,840	2,551,554	
\$10,000 under \$11,000.....	3,203,763	6,650,647	33,627,379	2,822,388	28,425,468	375,473	1,016,808	218,688	297,061	1,662,136	3,888,042	3,074,408	2,834,816	
\$11,000 under \$12,000.....	3,007,481	6,515,360	34,561,448	2,684,443	29,748,776	356,542	1,081,832	221,065	200,733	1,595,453	3,530,106	2,918,681	3,108,122	
\$12,000 under \$13,000.....	2,926,774	6,667,658	36,548,726	2,618,454	31,209,195	362,636	1,042,364	252,625	338,678	1,680,384	3,958,489	2,865,682	3,458,708	
\$13,000 under \$14,000.....	2,723,613	6,448,794	36,778,145	2,486,526	32,060,575	336,690	1,164,185	180,704	192,060	1,661,964	3,361,325	2,671,892	3,679,484	
\$14,000 under \$15,000.....	2,571,624	6,306,574	37,293,560	2,364,580	32,784,276	362,388	1,460,022	224,437	279,321	1,575,860	2,769,941	2,533,031	3,876,605	
\$15,000 under \$16,000.....	2,427,136	6,077,416	37,622,288	2,234,661	33,165,423	349,764	1,327,367	204,095	245,072	1,579,183	2,884,427	2,390,216	4,041,688	
\$16,000 under \$17,000.....	2,341,221	6,154,373	38,607,249	2,174,062	34,435,967	359,315	1,306,312	204,095	373,725	1,546,273	2,491,245	2,310,994	4,314,485	
\$17,000 under \$18,000.....	2,241,074	6,136,521	39,209,561	2,054,886	34,452,402	344,986	1,334,527	228,056	398,203	1,516,272	3,024,429	2,211,139	4,480,473	
\$18,000 under \$19,000.....	2,245,881	6,385,798	41,559,206	2,095,802	36,979,502	340,380	1,475,098	209,639	209,639	1,586,552	2,894,967	2,223,147	4,831,154	
\$19,000 under \$20,000.....	2,129,839	6,049,192	41,512,615	2,011,070	37,458,344	323,942	1,341,519	196,154	274,937	1,551,027	2,437,815	2,111,276	4,993,466	
\$20,000 under \$25,000.....	9,021,414	27,694,997	201,687,813	8,533,387	181,690,141	1,507,908	6,943,468	971,049	1,517,057	7,093,818	11,537,148	8,963,570	25,734,686	
\$25,000 under \$30,000.....	6,309,121	20,341,202	172,374,956	5,977,965	154,233,885	1,120,468	6,467,665	879,918	1,506,634	5,454,530	10,166,772	6,276,188	24,377,331	
\$30,000 under \$40,000.....	6,446,203	21,362,484	219,926,838	6,066,697	192,558,959	1,360,691	10,962,997	1,299,117	2,572,890	5,956,603	13,831,992	6,421,836	35,486,220	
\$40,000 under \$50,000.....	2,229,252	7,409,529	98,307,745	2,031,503	79,394,632	683,452	8,424,507	678,634	2,052,017	2,144,060	8,436,590	2,224,204	18,593,072	
\$50,000 under \$75,000.....	1,466,498	4,860,350	86,844,336	1,247,789	59,923,318	674,043	13,360,863	704,877	2,982,139	1,445,052	10,578,016	1,459,267	19,753,175	
\$75,000 under \$100,000.....	423,380	1,437,074	36,318,472	344,710	22,421,013	260,980	6,618,176	258,631	1,788,920	418,928	5,490,362	422,002	10,057,784	
\$100,000 under \$200,000.....	357,872	1,215,209	47,050,833	290,638	27,199,810	244,471	7,388,130	249,345	3,316,669	355,647	9,146,223	357,210	15,655,674	
\$200,000 under \$500,000.....	80,226	251,901	22,670,389	64,152	10,368,154	62,223	2,844,040	66,436	3,011,332	80,027	6,446,863	80,165	9,219,010	
\$500,000 under \$1,000,000.....	9,904	28,917	6,571,180	7,720	2,001,034	8,177	658,646	8,978	1,610,213	9,898	2,301,287	9,897	2,972,594	
\$1,000,000 or more.....	3,601	10,042	8,116,126	2,793	1,143,156	3,022	634,936	3,394	3,657,880	3,597	2,680,154	3,599	4,073,808	
All returns, summary:														
Under \$5,000.....	20,863,567	29,209,992	42,493,093	18,227,303	46,720,915	1,932,020	- 7,783,602	791,947	1,556,694	7,147,794	1,999,085	4,718,898	602,424	
\$5,000 under \$10,000.....	19,664,858	35,981,693	145,712,572	16,859,117	120,876,443	1,894,061	4,299,322	1,074,838	1,027,521	8,746,160	19,509,286	15,447,681	8,349,739	
\$10,000 under \$15,000.....	14,433,255	32,589,233	178,809,257	12,976,391	154,228,290	1,793,729	5,765,210	1,097,519	1,307,853	8,175,797	17,507,903	14,063,694	16,957,734	
\$15,000 under \$20,000.....	11,385,151	30,803,300	198,510,919	10,570,481	176,491,637	1,718,387	6,784,824	1,041,976	1,501,576	7,779,307	13,732,883	11,246,772	22,661,266	
\$20,000 or more.....	26,347,471	84,611,705	899,868,690	24,567,354	730,934,103	5,925,435	64,303,428	5,120,379	24,015,751	22,962,160	80,615,407	26,217,936	165,923,355	

Footnote(s) at end of table.

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Exemptions for dependents—Continued														
	Exemptions for parents at home					Exemptions for parents away from home					Exemptions for other dependents				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount				Number of returns	Amount
(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	
Total	991,124	1,050,736	20,402,277	856,447	2,922,983	395,207	480,878	10,649,344	350,238	1,978,909	1,114,803	1,485,488	19,995,899	917,737	2,589,218
No adjusted gross income.....	3,535	3,918	- 50,201	70	535	504	527	- 78,660	101	1,979	4,871	5,827	- 45,530	39	405
\$1 under \$1,000.....	*6,055	*6,055	*3,138	—	—	—	—	—	—	—	*10,830	*12,700	*7,146	—	—
\$1,000 under \$2,000.....	*8,061	*8,061	*13,297	—	—	*6,580	*12,632	*10,609	—	—	*3,313	*3,313	*5,463	—	—
\$2,000 under \$3,000.....	*8,318	*8,318	*20,439	—	—	*2,146	*2,146	*6,214	—	—	17,746	19,730	46,317	—	—
\$3,000 under \$4,000.....	16,124	16,124	58,794	—	—	*9,510	*13,167	*31,974	—	—	18,425	18,434	66,669	*544	*6
\$4,000 under \$5,000.....	18,061	18,061	80,402	*8,681	*382	*3,277	*5,257	*15,508	—	—	33,201	43,727	147,224	*3,526	*53
\$5,000 under \$6,000.....	37,564	41,410	206,807	16,659	2,622	*6,325	*8,002	*36,535	*5,977	*456	36,520	42,617	202,401	15,913	2,220
\$6,000 under \$7,000.....	40,823	42,740	267,500	23,698	6,454	22,111	30,803	141,413	*14,194	*2,223	44,976	66,713	292,235	20,518	3,898
\$7,000 under \$8,000.....	41,113	44,770	309,322	21,476	7,819	11,898	13,800	89,769	*7,518	*3,025	69,543	91,544	521,501	40,879	11,818
\$8,000 under \$9,000.....	45,394	51,076	383,669	27,707	13,584	*13,331	*15,336	*112,699	*9,639	*4,702	55,410	73,197	469,313	41,196	17,491
\$9,000 under \$10,000.....	34,901	36,885	331,574	32,883	21,327	*7,992	*7,992	*75,741	*7,992	*3,984	65,473	99,783	624,346	53,606	28,123
\$10,000 under \$11,000.....	33,332	36,326	348,025	31,489	22,598	13,652	16,528	142,748	13,651	7,989	42,651	56,589	443,676	38,201	19,646
\$11,000 under \$12,000.....	36,961	41,530	426,300	36,440	33,202	17,273	21,486	202,057	14,223	10,712	57,509	87,224	662,883	52,922	37,128
\$12,000 under \$13,000.....	27,756	29,131	346,575	27,756	28,964	19,888	25,040	251,375	19,419	22,226	44,927	64,643	560,721	44,105	36,379
\$13,000 under \$14,000.....	33,750	33,750	455,351	33,750	40,607	13,289	16,138	179,183	12,815	13,781	35,028	49,535	474,455	34,686	36,749
\$14,000 under \$15,000.....	46,912	48,339	684,611	45,809	66,267	8,955	10,382	127,686	8,927	12,288	31,397	39,875	458,226	31,328	35,045
\$15,000 under \$16,000.....	35,158	36,729	546,718	35,158	54,602	18,690	27,999	291,310	17,122	21,437	40,468	51,122	628,953	40,066	57,144
\$16,000 under \$17,000.....	24,069	25,281	395,913	24,069	40,964	12,875	18,483	213,127	12,875	17,137	51,548	73,307	851,866	51,514	74,351
\$17,000 under \$18,000.....	24,453	25,764	428,488	24,421	48,188	17,047	21,855	299,396	16,696	24,070	30,842	38,312	540,459	29,935	52,083
\$18,000 under \$19,000.....	36,655	40,454	679,560	36,054	75,481	12,635	15,253	233,103	12,473	19,463	37,164	50,851	684,891	37,162	64,604
\$19,000 under \$20,000.....	25,907	28,432	507,908	25,592	48,733	*4,540	*4,540	*87,242	*4,540	*8,480	29,272	52,293	571,946	29,272	60,143
\$20,000 under \$25,000.....	114,008	118,220	2,564,622	113,356	311,314	39,181	43,995	888,989	39,180	103,810	140,420	180,097	3,132,267	139,901	363,791
\$25,000 under \$30,000.....	102,895	109,396	2,820,844	102,209	369,530	31,266	35,723	839,608	31,096	103,421	85,785	95,652	2,323,275	85,669	301,553
\$30,000 under \$40,000.....	117,835	124,636	4,023,436	117,835	618,653	41,726	46,364	1,446,820	41,524	216,341	76,649	102,928	2,624,369	76,158	386,665
\$40,000 under \$50,000.....	36,196	37,464	1,605,522	36,048	287,917	21,276	23,129	942,439	21,202	162,076	24,855	31,211	1,107,886	24,823	210,975
\$50,000 under \$75,000.....	21,856	23,431	1,274,158	21,856	277,673	20,352	22,944	1,229,588	20,267	263,971	15,355	19,947	923,279	15,150	197,539
\$75,000 under \$100,000.....	7,240	7,568	617,408	7,240	167,900	7,653	8,620	666,271	7,575	167,502	4,483	5,804	394,586	4,483	109,709
\$100,000 under \$200,000.....	5,133	5,694	667,499	5,133	216,454	8,730	9,895	1,152,351	8,729	364,176	4,688	6,470	617,526	4,688	192,905
\$200,000 under \$500,000.....	920	1,017	257,737	919	102,945	2,122	2,403	618,209	2,120	241,464	1,199	1,699	344,199	1,198	141,740
\$500,000 under \$1,000,000.....	105	119	69,947	105	30,739	281	317	183,294	281	81,805	188	247	126,134	188	54,758
\$1,000,000 or more.....	34	37	56,914	34	27,530	102	122	212,746	102	100,390	67	97	187,219	67	92,296
All returns, summary:															
Under \$5,000.....	60,154	60,537	125,870	8,751	916	22,017	33,729	- 14,355	101	1,979	88,386	103,731	227,289	*4,109	*463
\$5,000 under \$10,000.....	199,795	216,881	1,498,873	122,423	51,807	61,657	75,933	456,157	45,320	14,390	271,922	373,854	2,109,797	172,112	63,550
\$10,000 under \$15,000.....	178,711	189,076	2,260,862	175,244	191,638	73,057	89,574	903,049	69,035	66,997	211,512	297,866	2,599,960	201,242	164,948
\$15,000 under \$20,000.....	146,242	156,660	2,558,588	145,294	267,968	65,787	88,130	1,124,178	63,706	90,587	189,294	265,885	3,278,115	187,949	308,326
\$20,000 or more.....	406,222	427,582	13,958,085	404,735	2,410,654	172,689	193,512	8,180,315	172,076	1,804,956	353,689	444,152	11,780,738	352,325	2,051,931

Footnote(s) at end of table.

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, by Size of Adjusted Gross Income — Continued

(All figures are estimates based on samples — money amounts are in thousands of dollars)

Size of adjusted gross income	Exemptions for dependents														
	Total					Exemptions for children at home					Exemptions for children away from home				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount				Number of returns	Amount
(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	
Total	36,908,080	75,560,674	784,799,949	30,316,423	110,265,121	34,780,463	70,503,146	742,582,441	28,399,177	103,262,914	1,305,649	2,040,426	31,209,413	1,211,809	5,180,504
No adjusted gross income.....	236,677	524,494	- 5,646,280	4,665	41,534	225,539	500,712	- 5,421,263	4,504	39,298	9,333	13,510	- 282,778	161	2,117
\$1 under \$1,000.....	286,138	565,521	161,994	*252	*752	276,349	542,851	157,249	*252	*752	3,445	3,915	1,702	—	—
\$1,000 under \$2,000.....	425,906	766,791	647,298	*834	*1,741	395,754	717,419	599,894	*824	*1,307	12,784	25,366	18,870	*10	*434
\$2,000 under \$3,000.....	567,443	1,062,886	1,410,561	*372	*355	554,571	1,022,525	1,376,129	*372	*355	5,855	10,167	15,158	—	—
\$3,000 under \$4,000.....	691,245	1,274,016	2,447,330	2,424	682	644,527	1,211,758	2,281,059	1,880	676	9,199	14,533	33,768	—	—
\$4,000 under \$5,000.....	842,074	1,556,627	3,792,886	62,477	5,578	786,875	1,472,228	3,547,099	46,443	4,918	12,519	17,354	55,797	*3,827	*226
\$5,000 under \$6,000.....	972,803	1,802,324	5,376,129	114,423	18,432	908,466	1,674,832	5,022,190	70,526	12,317	17,878	35,463	97,581	9,099	1,130
\$6,000 under \$7,000.....	1,137,665	2,180,912	7,382,171	188,068	45,810	1,056,126	1,997,747	6,853,578	118,088	29,120	31,779	42,909	205,590	22,863	5,743
\$7,000 under \$8,000.....	1,190,206	2,298,513	8,923,514	420,730	99,504	1,097,198	2,101,166	8,223,454	338,815	69,516	36,183	47,233	268,597	27,781	11,909
\$8,000 under \$9,000.....	1,185,085	2,288,668	10,068,325	776,035	239,341	1,083,972	2,089,761	9,211,262	683,496	192,040	35,873	59,298	306,268	27,893	16,030
\$9,000 under \$10,000.....	1,167,144	2,236,645	11,077,802	1,002,077	439,650	1,073,949	2,031,859	10,189,741	910,885	379,060	34,920	60,126	333,606	34,617	20,426
\$10,000 under \$11,000.....	1,136,009	2,266,686	11,905,445	1,044,856	609,370	1,064,834	2,098,342	11,162,307	975,315	549,265	43,071	58,901	448,567	40,545	30,860
\$11,000 under \$12,000.....	1,135,711	2,281,558	13,053,144	1,071,603	783,299	1,048,281	2,068,888	12,043,141	984,710	690,734	43,560	62,440	501,509	42,964	44,170
\$12,000 under \$13,000.....	1,176,509	2,410,778	14,709,953	1,130,117	950,199	1,089,642	2,212,267	13,623,660	1,044,100	847,855	51,646	79,697	645,628	50,110	52,896
\$13,000 under \$14,000.....	1,157,662	2,368,655	15,635,605	1,126,486	1,140,586	1,078,685	2,207,482	14,568,653	1,048,364	1,030,812	36,448	61,750	493,344	36,381	50,170
\$14,000 under \$15,000.....	1,165,320	2,348,031	16,897,813	1,134,950	1,315,074	1,079,892	2,186,814	15,659,260	1,049,687	1,175,815	43,651	62,621	629,192	42,846	67,440
\$15,000 under \$16,000.....	1,113,330	2,263,802	17,270,010	1,089,092	1,404,892	1,044,895	2,096,312	16,205,926	1,020,695	1,280,828	35,283	51,640	547,582	34,964	56,822
\$16,000 under \$17,000.....	1,152,480	2,378,042	19,006,311	1,127,886	1,664,298	1,081,283	2,189,009	17,832,405	1,056,717	1,527,802	47,490	71,962	784,908	47,147	85,826
\$17,000 under \$18,000.....	1,163,780	2,419,166	20,373,295	1,139,391	1,870,194	1,094,103	2,262,298	19,154,284	1,069,972	1,717,508	47,242	70,937	829,329	46,646	94,266
\$18,000 under \$19,000.....	1,236,160	2,567,367	22,884,854	1,219,712	2,205,055	1,163,685	2,373,015	21,541,054	1,147,848	2,032,547	50,503	87,794	936,227	50,190	108,893
\$19,000 under \$20,000.....	1,174,235	2,390,430	22,893,140	1,159,681	2,309,662	1,102,483	2,198,773	21,494,588	1,088,692	2,125,919	60,766	106,392	1,184,443	60,071	149,892
\$20,000 under \$25,000.....	5,455,531	11,423,009	122,124,751	5,414,973	13,700,789	5,188,423	10,782,218	116,152,099	5,148,879	12,829,118	196,298	298,479	4,389,459	194,950	602,512
\$25,000 under \$30,000.....	4,021,686	8,478,411	109,866,833	3,995,808	14,096,928	3,858,621	8,026,733	105,432,054	3,833,072	13,395,087	131,996	210,907	3,601,261	131,708	523,370
\$30,000 under \$40,000.....	4,215,707	8,970,228	143,795,059	4,198,155	21,457,112	4,030,083	8,438,756	137,454,867	4,012,726	20,363,882	166,256	257,544	5,711,194	165,806	900,621
\$40,000 under \$50,000.....	1,437,816	3,106,126	63,379,220	1,434,175	11,206,309	1,372,721	2,910,498	60,486,777	1,369,235	10,623,244	64,962	103,824	2,894,006	64,893	540,344
\$50,000 under \$75,000.....	920,674	2,056,693	54,636,625	915,696	11,641,565	866,763	1,909,149	51,442,236	861,933	10,885,030	50,016	81,222	2,956,218	49,852	660,100
\$75,000 under \$100,000.....	271,032	626,485	23,249,572	269,956	6,112,370	256,548	583,297	21,999,312	255,473	5,763,181	13,061	21,196	1,135,170	12,855	291,258
\$100,000 under \$200,000.....	222,552	533,253	29,148,011	222,064	9,284,369	210,382	492,106	27,535,976	209,894	8,750,990	11,140	19,088	1,449,639	11,140	447,348
\$200,000 under \$500,000.....	43,285	100,344	12,071,139	43,254	4,724,818	40,218	91,754	11,192,517	40,189	4,372,012	2,108	3,471	601,396	2,106	228,147
\$500,000 under \$1,000,000.....	4,665	10,702	3,079,972	4,662	1,357,361	4,220	9,520	2,785,896	4,217	1,227,983	281	499	185,534	281	78,082
\$1,000,000 or more.....	1,550	3,501	3,177,471	1,549	1,537,495	1,375	3,057	2,775,038	1,374	1,343,942	103	188	230,648	103	109,473
All returns, summary:															
Under \$5,000.....	3,049,483	5,750,335	2,813,788	71,024	50,643	2,883,615	5,467,493	2,540,168	54,275	47,307	53,135	84,845	- 157,482	3,998	2,777
\$5,000 under \$10,000.....	5,652,903	10,807,062	42,827,940	2,501,333	842,737	5,219,711	9,895,365	39,500,225	2,121,810	682,055	156,633	245,029	1,211,642	122,253	55,238
\$10,000 under \$15,000.....	5,771,211	11,675,718	72,201,959	5,508,012	4,798,527	5,361,334	10,773,793	67,057,020	5,102,176	4,294,481	218,376	325,409	2,718,240	212,846	245,536
\$15,000 under \$20,000.....	5,839,985	12,018,807	102,427,609	5,735,762	9,454,099	5,486,449	11,119,407	96,228,257	5,383,924	8,684,604	241,284	388,725	4,282,488	239,018	495,700
\$20,000 or more.....	16,594,498	35,308,752	564,528,651	16,500,292	95,119,115	15,829,354	33,247,086	537,256,772	15,736,992	89,554,468	636,221	996,418	23,154,525	633,694	4,381,253

Footnote(s) at end of table.

Table 2.8 — All Returns: Exemptions by Type, Number of Exemptions, Sources of Income, by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for age 65 or over					Exemptions for blindness				
				Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
							Number of returns	Amount				Number of returns	Amount
				(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Total.....	92,694,302	224,691,732	137,635,249	8,661,655	11,322,713	130,793,580	6,181,511	22,109,644	171,330	173,096	2,642,034	122,946	365,048
No adjusted gross income.....	542,104	1,495,344	882,751	66,857	87,627	- 818,107	590	6,157	472	472	- 13,221	**	**
\$1 under \$1,000.....	3,246,888	4,182,645	3,452,204	126,333	159,245	71,675	*1,677	*5,366	*5,675	*5,675	*2,962	—	—
\$1,000 under \$2,000.....	4,528,124	5,887,507	4,836,400	226,149	278,289	351,009	—	*6,027	*6,027	*6,027	*11,218	—	—
\$2,000 under \$3,000.....	4,494,944	6,438,717	4,962,912	322,610	407,057	806,006	*69	*15	*5,862	*5,862	*14,657	—	—
\$3,000 under \$4,000.....	4,117,916	6,547,508	4,704,784	458,550	564,788	1,626,367	10,152	1,522	*3,920	*3,920	*13,452	—	—
\$4,000 under \$5,000.....	3,933,591	6,949,726	4,620,606	640,099	765,430	2,684,506	245,923	11,184	*7,063	*7,063	*32,451	**1,633	**254
\$5,000 under \$6,000.....	4,090,766	7,622,947	4,967,829	677,056	843,192	3,718,499	338,721	55,082	*9,602	*9,602	*51,946	*3,336	*262
\$6,000 under \$7,000.....	4,299,728	8,386,413	5,378,992	640,352	815,570	4,162,064	361,773	90,939	10,939	10,939	71,813	*6,100	*935
\$7,000 under \$8,000.....	4,015,837	8,287,822	5,159,308	630,871	818,790	4,719,455	488,670	150,892	11,211	11,211	81,879	*8,981	*3,134
\$8,000 under \$9,000.....	3,730,217	7,907,158	4,935,139	488,470	676,492	4,148,521	441,245	162,888	*6,858	*6,858	*57,577	*3,392	*1,210
\$9,000 under \$10,000.....	3,528,310	7,538,065	4,733,363	425,525	558,865	4,030,040	402,634	215,953	*9,192	*9,192	*85,234	*7,585	*3,093
\$10,000 under \$11,000.....	3,203,763	7,176,760	4,383,961	390,333	516,476	4,097,927	370,593	261,449	9,637	9,637	99,310	8,724	4,826
\$11,000 under \$12,000.....	3,007,481	6,966,597	4,233,792	344,848	442,767	3,968,485	329,655	284,128	*8,470	*8,470	*97,394	*6,810	*4,681
\$12,000 under \$13,000.....	2,926,774	7,090,248	4,257,080	315,876	416,077	3,938,653	309,676	321,663	*5,256	*6,313	*65,117	*5,256	*2,789
\$13,000 under \$14,000.....	2,723,613	6,795,877	4,080,139	245,748	342,237	3,323,743	234,007	276,983	*4,846	*4,846	*65,605	*4,846	*5,392
\$14,000 under \$15,000.....	2,571,624	6,617,595	3,958,543	230,794	308,650	3,346,087	229,129	306,339	*2,371	*2,371	*33,807	*2,371	*3,237
\$15,000 under \$16,000.....	2,427,136	6,322,713	3,813,614	181,560	242,075	2,817,220	178,035	277,746	*3,222	*3,222	*49,813	*3,222	*4,083
\$16,000 under \$17,000.....	2,341,221	6,412,839	3,776,331	184,254	253,933	3,032,713	184,246	318,275	*4,533	*4,533	*75,092	*4,526	*7,420
\$17,000 under \$18,000.....	2,241,074	6,385,507	3,717,355	179,013	241,661	3,134,974	176,520	347,778	7,325	7,325	127,876	7,325	11,562
\$18,000 under \$19,000.....	2,245,881	6,586,259	3,818,431	146,032	199,253	2,707,019	144,574	312,238	*1,208	*1,208	*22,196	*1,208	*1,622
\$19,000 under \$20,000.....	2,129,839	6,234,866	3,658,762	130,703	180,411	2,545,548	130,413	306,684	*5,263	*5,263	*102,027	*5,263	*8,300
\$20,000 under \$25,000.....	9,021,414	28,393,780	16,271,988	506,877	678,637	11,305,531	506,690	1,490,422	20,146	20,146	445,902	20,136	51,700
\$25,000 under \$30,000.....	6,309,121	20,762,059	11,862,791	314,023	413,402	8,612,656	310,932	1,320,752	7,455	7,455	203,801	7,455	28,691
\$30,000 under \$40,000.....	6,446,203	21,815,441	12,392,256	326,564	443,321	11,200,411	324,188	2,004,164	8,928	8,928	286,800	8,928	43,297
\$40,000 under \$50,000.....	2,229,252	7,635,408	4,303,403	156,749	224,950	6,947,153	156,739	1,462,446	*929	*929	*41,657	*929	*8,520
\$50,000 under \$75,000.....	1,466,498	5,090,183	2,803,657	158,663	226,816	9,504,059	158,026	2,410,234	3,017	3,017	187,323	3,017	43,206
\$75,000 under \$100,000.....	423,380	1,527,086	810,589	60,815	89,350	5,226,825	60,776	1,615,383	662	662	56,979	662	14,434
\$100,000 under \$200,000.....	357,872	1,307,505	681,956	61,676	91,375	8,260,259	61,613	2,986,870	921	921	127,827	921	45,307
\$200,000 under \$500,000.....	80,226	281,767	151,557	19,883	29,601	5,755,189	19,875	2,463,344	265	265	77,501	265	33,745
\$500,000 under \$1,000,000.....	9,904	33,517	18,215	3,123	4,559	2,086,120	3,122	957,991	41	41	28,298	41	12,063
\$1,000,000 or more.....	3,601	11,873	6,541	1,249	1,817	3,282,976	1,248	1,684,760	14	14	37,740	14	21,288
All returns, summary:													
Under \$5,000.....	20,863,567	31,501,447	23,459,657	1,840,598	2,262,436	4,921,455	258,411	24,243	29,019	29,019	61,520	*1,633	*253
\$5,000 under \$10,000.....	19,664,858	39,742,405	25,174,631	2,862,274	3,712,909	20,778,578	2,033,043	675,753	47,802	47,803	348,448	29,394	8,634
\$10,000 under \$15,000.....	14,433,255	34,647,077	20,913,515	1,527,599	2,026,207	18,674,895	1,473,060	1,450,562	30,580	31,637	361,234	28,007	20,924
\$15,000 under \$20,000.....	11,385,151	31,942,184	18,784,493	821,562	1,117,333	14,237,474	813,788	1,562,721	21,551	21,551	377,004	21,544	32,987
\$20,000 or more.....	26,347,471	86,858,619	49,302,953	1,609,622	2,203,828	72,181,178	1,603,209	18,396,365	42,378	43,086	1,493,828	42,368	302,249

Footnote(s) at end of table.

Table 3.3 — All Returns: Adjusted Gross Income and Total Income Tax, by Size of Adjusted Gross Income and Total Income Tax — Continued

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

Table with 10 columns: Size of adjusted gross income (rows), Number of returns, Adjusted gross income less deficit, Total income tax (for \$800 under \$900, \$900 under \$1,000, and \$1,000 under \$1,250). Rows include Total, No adjusted gross income, and various income brackets up to \$20,000 or more.

Table with 10 columns: Size of adjusted gross income (rows), Number of returns, Adjusted gross income less deficit, Total income tax (for \$1,250 under \$1,500, \$1,500 under \$1,750, and \$1,750 under \$2,000). Rows include Total, No adjusted gross income, and various income brackets up to \$20,000 or more.

Footnote(s) at end of table.

72 Individual Returns/1979 • Tax Computation and Tax Rates
Table 3.3 — All Returns: Adjusted Gross Income and Total Income Tax, by Size of Adjusted Gross Income and Total Income Tax — Continued

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

Size of adjusted gross income	Size of total income tax—Continued								
	\$2,000 under \$2,250			\$2,250 under \$2,500			\$2,500 under \$2,750		
	Number of returns (54)	Adjusted gross income less deficit (55)	Total income tax (56)	Number of returns (57)	Adjusted gross income less deficit (58)	Total income tax (59)	Number of returns (60)	Adjusted gross income less deficit (61)	Total income tax (62)
Total	3,054,783	56,306,308	6,496,159	2,820,183	55,151,884	6,705,303	2,485,527	51,804,342	6,523,818
No adjusted gross income	**134	** - 14,419	**279	166	- 12,492	391	145	- 5,885	376
\$1 under \$1,000	—	—	—	—	—	—	—	—	—
\$1,000 under \$2,000	—	—	—	9	*10	*21	—	—	—
\$2,000 under \$3,000	—	—	—	—	—	—	—	—	—
\$3,000 under \$4,000	—	—	—	—	—	—	—	—	—
\$4,000 under \$5,000	—	—	—	—	—	—	9	*42	*23
\$5,000 under \$6,000	—	—	—	—	—	—	—	—	—
\$6,000 under \$7,000	—	—	—	—	—	—	—	—	—
\$7,000 under \$8,000	—	—	—	—	—	—	—	—	—
\$8,000 under \$9,000	—	—	—	27	*225	*67	9	*78	*23
\$9,000 under \$10,000	—	—	—	—	—	—	4	**42	**10
\$10,000 under \$11,000	—	—	—	7	*70	*16	—	—	—
\$11,000 under \$12,000	*3,809	*44,581	*7,906	—	—	—	—	—	—
\$12,000 under \$13,000	10,391	131,772	21,609	*1,225	*15,629	*2,809	*191	*2,341	*480
\$13,000 under \$14,000	247,702	3,418,374	507,693	16,367	223,072	38,961	—	—	—
\$14,000 under \$15,000	463,933	6,667,323	1,000,431	225,474	3,337,656	518,808	18,912	272,579	49,710
\$15,000 under \$16,000	158,269	2,453,616	338,605	408,051	6,271,550	980,899	206,193	3,254,023	526,398
\$16,000 under \$17,000	162,235	2,699,779	338,304	138,780	2,279,407	330,676	296,149	4,842,177	787,637
\$17,000 under \$18,000	390,248	6,841,296	831,894	105,067	1,836,095	249,085	108,038	1,888,443	283,567
\$18,000 under \$19,000	362,448	6,720,948	771,607	380,058	7,034,438	903,184	86,932	1,610,311	228,047
\$19,000 under \$20,000	370,911	7,228,184	789,998	336,822	6,575,941	801,405	333,698	6,513,546	874,798
\$20,000 under \$25,000	772,909	16,825,937	1,649,655	1,021,943	22,311,023	2,435,354	1,158,522	25,666,825	3,045,435
\$25,000 under \$30,000	86,822	2,323,881	185,356	154,040	4,102,465	367,169	232,159	6,188,746	610,420
\$30,000 under \$40,000	17,462	575,540	37,139	26,431	866,897	63,102	37,909	1,227,351	99,617
\$40,000 under \$50,000	4,835	217,082	10,184	3,232	142,633	7,620	4,009	170,096	10,349
\$50,000 under \$75,000	1,977	107,554	4,230	2,121	124,814	5,070	2,058	118,059	5,398
\$75,000 under \$100,000	319	29,032	671	101	8,635	247	*422	*34,169	*1,075
\$100,000 under \$200,000	271	33,130	581	262	33,817	620	**168	**21,400	**455
\$200,000 under \$500,000	**8	**2,686	**18	—	—	—	—	—	—
\$500,000 under \$1,000,000	—	—	—	—	—	—	—	—	—
\$1,000,000 or more	—	—	—	—	—	—	—	—	—
All returns, summary:									
Under \$5,000	134	- 14,419	279	175	- 12,492	412	154	- 5,843	399
\$5,000 under \$10,000	—	—	—	27	*225	*67	11	*98	*28
\$10,000 under \$15,000	725,835	10,262,050	1,537,639	243,073	3,576,426	560,394	19,105	274,942	50,195
\$15,000 under \$20,000	1,444,111	25,943,822	3,070,407	1,368,778	23,997,431	3,265,249	1,031,010	18,108,500	2,700,448
\$20,000 or more	884,703	20,114,854	1,887,834	1,208,130	27,590,283	2,879,181	1,435,247	33,426,646	3,772,748

Size of adjusted gross income	Size of total income tax—Continued								
	\$2,750 under \$3,000			\$3,000 under \$3,500			\$3,500 under \$4,000		
	Number of returns (63)	Adjusted gross income less deficit (64)	Total income tax (65)	Number of returns (66)	Adjusted gross income less deficit (67)	Total income tax (68)	Number of returns (69)	Adjusted gross income less deficit (70)	Total income tax (71)
Total	2,295,740	50,812,104	6,599,215	3,918,733	93,286,458	12,685,587	2,954,451	76,718,137	11,044,047
No adjusted gross income	**258	** - 20,507	**744	169	- 12,909	550	339	- 21,117	1,288
\$1 under \$1,000	—	—	—	—	—	—	—	—	—
\$1,000 under \$2,000	—	—	—	10	*1,678	*1,603	*18	*4	*67
\$2,000 under \$3,000	—	—	—	—	—	—	—	—	—
\$3,000 under \$4,000	—	—	—	—	—	—	—	—	—
\$4,000 under \$5,000	—	—	—	—	—	—	72	*267	*288
\$5,000 under \$6,000	—	—	—	190	*978	*631	—	—	—
\$6,000 under \$7,000	—	—	—	—	—	—	—	—	—
\$7,000 under \$8,000	—	—	—	—	—	—	—	—	—
\$8,000 under \$9,000	—	—	—	—	—	—	—	—	—
\$9,000 under \$10,000	12	*113	*35	—	—	—	59	*483	*211
\$10,000 under \$11,000	19	*203	*56	23	*234	*70	—	—	—
\$11,000 under \$12,000	11	*124	*32	—	—	—	6	*68	*21
\$12,000 under \$13,000	—	—	—	—	—	—	—	—	—
\$13,000 under \$14,000	93	*1,239	*269	—	—	—	—	—	—
\$14,000 under \$15,000	*8,146	*121,485	*22,826	306	*4,344	*988	13	*195	*47
\$15,000 under \$16,000	8,028	124,460	23,370	7,481	*117,611	*23,248	—	—	—
\$16,000 under \$17,000	214,611	3,588,951	607,330	18,512	308,530	60,844	*2,714	*45,124	*9,834
\$17,000 under \$18,000	198,636	3,439,973	578,515	232,280	4,098,154	720,794	9,570	166,697	34,507
\$18,000 under \$19,000	94,787	1,751,899	273,295	342,401	6,338,457	1,127,110	11,679	216,482	44,173
\$19,000 under \$20,000	60,016	1,167,481	171,918	153,822	2,993,331	501,062	230,296	4,490,251	843,277
\$20,000 under \$25,000	1,279,156	28,537,877	3,674,812	1,807,712	41,544,526	5,823,287	961,012	22,122,296	3,586,143
\$25,000 under \$30,000	363,190	9,699,326	1,048,010	1,150,101	31,005,955	3,754,484	1,312,442	35,513,176	4,916,679
\$30,000 under \$40,000	61,589	2,017,299	177,350	188,396	6,094,577	616,116	401,590	12,963,313	1,514,520
\$40,000 under \$50,000	4,106	180,229	11,841	10,661	467,560	34,829	16,252	696,931	61,365
\$50,000 under \$75,000	2,626	155,767	7,499	4,338	250,011	14,028	7,001	*410,019	26,355
\$75,000 under \$100,000	289	*26,137	*835	232	18,509	792	561	44,754	2,110
\$100,000 under \$200,000	167	20,048	479	412	51,343	1,325	506	66,285	1,891
\$200,000 under \$500,000	—	—	—	6	*1,594	*19	6	*1,496	*23
\$500,000 under \$1,000,000	—	—	—	3	2,032	9	—	—	—
\$1,000,000 or more	—	—	—	—	—	—	—	—	—
All returns, summary:									
Under \$5,000	256	- 20,519	738	1,857	- 11,286	5,951	744	- 19,442	2,892
\$5,000 under \$10,000	14	*125	*40	190	*977	*631	59	*483	*211
\$10,000 under \$15,000	8,269	123,050	23,182	329	*4,577	*1,058	19	*263	*68
\$15,000 under \$20,000	576,078	10,072,764	1,654,428	754,496	13,856,083	2,433,058	254,259	4,918,553	931,790
\$20,000 or more	1,711,123	40,636,684	4,920,826	3,161,861	79,436,107	10,244,889	2,699,370	71,818,279	10,109,086

Footnote(s) at end of table.

Table 3.3 — All Returns: Adjusted Gross Income and Total Income Tax, by Size of Adjusted Gross Income and Total Income Tax — Continued

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

Size of adjusted gross income	Size of total income tax—Continued								
	\$4,000 under \$5,000			\$5,000 under \$7,500			\$7,500 under \$10,000		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)	
Total	4,316,676	124,504,356	19,239,069	5,057,854	175,368,396	30,417,789	1,784,249	76,827,130	15,272,273
No adjusted gross income	134	- 19,576	602	561	- 33,601	3,590	**226	** -29,734	**1,943
\$1 under \$1,000	—	—	—	*39	()	*204	—	—	—
\$1,000 under \$2,000	—	—	—	—	—	—	—	—	—
\$2,000 under \$3,000	—	—	—	**3	**9	**20	**3	**12	**24
\$3,000 under \$4,000	—	—	—	—	—	—	—	—	—
\$4,000 under \$5,000	—	—	—	—	—	—	—	—	—
\$5,000 under \$6,000	**11	*55	*48	—	—	—	—	—	—
\$6,000 under \$7,000	—	—	—	*16	*107	*106	—	—	—
\$7,000 under \$8,000	—	—	—	**174	**1,322	**1,042	—	—	—
\$8,000 under \$9,000	—	—	—	—	—	—	*68	*563	*548
\$9,000 under \$10,000	—	—	—	—	—	—	**22	*204	*183
\$10,000 under \$11,000	**8	**88	**36	—	—	—	*4	**45	**34
\$11,000 under \$12,000	—	—	—	—	—	—	—	—	—
\$12,000 under \$13,000	—	—	—	**45	**576	**297	—	**	**
\$13,000 under \$14,000	—	—	—	—	—	—	**13	**174	**112
\$14,000 under \$15,000	—	—	—	—	—	—	—	—	—
\$15,000 under \$16,000	*164	*2,551	*679	*20	*303	*114	—	—	—
\$16,000 under \$17,000	—	—	—	*27	*448	*172	*29	*484	*243
\$17,000 under \$18,000	*32	*565	*158	—	—	—	—	—	—
\$18,000 under \$19,000	*7,007	*129,360	*29,524	—	—	—	*9	*170	*76
\$19,000 under \$20,000	9,943	192,103	42,946	—	—	—	—	—	—
\$20,000 under \$25,000	706,021	15,926,407	3,102,076	123,082	2,950,489	648,697	*40	*904	*331
\$25,000 under \$30,000	2,050,758	56,855,427	9,060,073	726,894	20,417,080	4,123,068	4,981	144,862	40,921
\$30,000 under \$40,000	1,480,845	48,523,732	6,719,243	3,527,325	121,881,540	21,174,003	554,471	20,557,371	4,549,037
\$40,000 under \$50,000	50,864	2,178,636	234,564	621,884	26,675,169	4,096,957	1,046,231	45,980,941	9,081,295
\$50,000 under \$75,000	8,867	509,380	40,019	52,516	2,950,944	336,477	169,161	9,305,607	1,518,264
\$75,000 under \$100,000	1,359	111,227	6,104	3,324	271,854	20,842	6,763	568,555	59,741
\$100,000 under \$200,000	608	81,243	2,757	1,819	220,510	11,410	2,100	264,015	18,403
\$200,000 under \$500,000	**55	**13,159	**242	**125	**31,642	**788	**128	**32,957	**1,118
\$500,000 under \$1,000,000	**	**	**	**	**	**	**	**	**
\$1,000,000 or more	—	—	—	—	—	—	—	—	—
All returns, summary:									
Under \$5,000	134	- 19,576	602	603	- 33,592	3,814	227	- 29,732	1,950
\$5,000 under \$10,000	*11	*55	*48	*189	*1,418	*1,142	*92	*777	*747
\$10,000 under \$15,000	*8	*88	*36	*46	*588	*304	*17	*219	*147
\$15,000 under \$20,000	17,146	324,579	73,305	*47	*751	*286	*38	*655	*319
\$20,000 or more	4,299,377	124,199,211	19,165,078	5,056,969	175,399,230	30,412,243	1,783,875	76,855,211	15,269,110

Size of adjusted gross income	Size of total income tax—Continued								
	\$10,000 under \$25,000			\$25,000 under \$50,000			\$50,000 or more		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
(81)	(82)	(83)	(84)	(85)	(86)	(87)	(88)	(89)	
Total	1,913,480	114,269,314	27,809,750	420,848	44,270,437	14,317,149	197,780	53,239,910	23,052,021
No adjusted gross income	988	- 107,387	14,908	244	- 43,497	8,612	**270	** -91,784	**34,371
\$1 under \$1,000	—	—	—	*9	()	*337	—	—	—
\$1,000 under \$2,000	—	—	—	**13	**19	**528	**3	**7	**272
\$2,000 under \$3,000	—	—	—	—	—	—	—	—	—
\$3,000 under \$4,000	—	—	—	—	—	—	—	—	—
\$4,000 under \$5,000	*9	*41	*178	—	—	—	*4	*18	*590
\$5,000 under \$6,000	*12	*67	*173	—	—	—	—	—	—
\$6,000 under \$7,000	*9	*57	*169	—	—	—	—	—	—
\$7,000 under \$8,000	**15	**118	**317	—	—	—	*9	*64	*746
\$8,000 under \$9,000	**	**	**	**11	**94	**465	*8	*71	*655
\$9,000 under \$10,000	**	**	**	—	—	—	**10	**99	**722
\$10,000 under \$11,000	*80	*850	*888	**	**	**	—	—	—
\$11,000 under \$12,000	**45	**510	**806	**3	**40	**95	**	**	**
\$12,000 under \$13,000	**	**	**	—	—	—	—	—	—
\$13,000 under \$14,000	*6	*83	*87	—	—	—	*8	*106	*691
\$14,000 under \$15,000	*14	*199	*174	**	**	**	—	—	—
\$15,000 under \$16,000	—	—	—	*21	*335	*892	—	—	—
\$16,000 under \$17,000	**69	**1,139	**823	*5	*84	*217	*6	**101	**642
\$17,000 under \$18,000	—	—	—	*6	*103	*251	—	—	—
\$18,000 under \$19,000	*32	*581	*409	*9	*165	*234	—	—	—
\$19,000 under \$20,000	*751	*14,406	*8,449	*22	*426	*642	*7	*138	*470
\$20,000 under \$25,000	225	4,993	3,409	*215	*5,154	*6,045	*12	*270	*989
\$25,000 under \$30,000	345	9,593	5,672	*33	*934	*1,142	*12	*342	*974
\$30,000 under \$40,000	38,155	1,448,843	424,026	167	5,779	6,092	16	532	1,875
\$40,000 under \$50,000	443,732	20,570,915	5,016,746	107	4,757	4,016	*13	*588	*907
\$50,000 under \$75,000	1,184,144	70,913,443	17,399,205	13,157	905,001	368,216	245	15,761	18,047
\$75,000 under \$100,000	218,279	18,094,925	4,424,454	187,399	16,745,030	5,521,265	247	21,335	17,225
\$100,000 under \$200,000	9519	3,061,187	491,657	216,445	25,870,338	8,281,893	107,556	17,089,053	6,843,080
\$200,000 under \$500,000	236	246,246	16,985	2,908	730,447	113,202	75,961	21,588,241	9,086,633
\$500,000 under \$1,000,000	**13	**8,502	**216	**74	**45,228	**3,004	9,798	6,505,986	2,969,377
\$1,000,000 or more	**	**	**	**	**	**	3,595	8,108,983	4,073,756
All returns, summary:									
Under \$5,000	997	- 107,346	15,087	266	- 43,478	9,476	277	- 91,759	35,233
\$5,000 under \$10,000	36	242	659	*10	*83	*439	*26	*223	*2,070
\$10,000 under \$15,000	145	1,642	1,955	*4	*52	*121	*9	*117	*743
\$15,000 under \$20,000	852	16,126	9,681	*63	*1,113	*2,237	*13	*239	*1,112
\$20,000 or more	1,911,450	114,358,649	27,782,369	420,505	44,312,668	14,304,876	197,455	53,331,090	23,012,863

() Less than \$500.

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

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

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

Table 3.4 — Returns With Total Income Tax: Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income

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

Size of adjusted gross income	Total income tax as a percent of adjusted gross income											
	Total			Under 3 percent			3 under 5 percent			5 under 7 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns ²	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
All Returns												
Total	71,694,983	1,402,263,632	214,494,519	6,083,860	44,068,029	707,318	4,994,320	44,882,555	1,827,373	6,449,463	69,065,448	4,206,593
No adjusted gross income.....	7,971	- 559,333	70,473	—	—	—	—	—	—	—	—	—
\$1 under \$5,000.....	4,710,927	18,926,720	531,951	2,804,653	10,591,845	159,662	1,692,712	7,633,277	308,239	119,112	407,970	24,347
\$5,000 under \$10,000.....	15,447,681	117,330,818	8,349,739	2,271,979	17,257,679	277,458	1,712,313	13,400,459	537,235	3,309,453	21,970,419	1,329,197
\$10,000 under \$15,000.....	14,063,694	174,423,803	16,957,734	672,291	7,958,906	138,126	1,113,945	13,248,671	547,716	1,899,662	23,367,490	1,419,230
\$15,000 under \$20,000.....	11,246,772	196,134,200	184,488	184,488	3,156,488	53,619	285,563	4,911,682	200,856	712,325	12,179,579	750,800
\$20,000 under \$30,000.....	15,239,758	371,891,754	50,112,016	92,046	2,242,502	34,167	132,875	3,103,899	127,582	330,641	7,633,156	470,185
\$30,000 under \$50,000.....	8,646,040	317,191,283	54,079,292	42,132	1,539,810	25,154	44,486	1,653,984	67,589	61,300	2,177,600	133,005
\$50,000 under \$100,000.....	1,881,269	122,621,139	29,810,960	13,123	863,638	11,819	10,683	668,792	27,583	14,373	902,441	54,382
\$100,000 under \$200,000.....	357,210	46,969,069	15,655,674	2,892	374,937	5,861	1,470	189,187	7,586	2,169	277,391	16,458
\$200,000 or more.....	93,661	37,334,178	16,265,413	256	82,224	1,353	273	72,606	2,988	428	149,401	8,989
Joint Returns												
Total	39,003,917	1,019,974,742	161,081,195	2,336,316	25,809,751	415,664	2,227,099	28,455,588	1,160,892	3,175,007	46,629,551	2,843,968
No adjusted gross income.....	6,847	- 472,161	59,434	—	—	—	—	—	—	—	—	—
\$1 under \$5,000.....	5,607	15,531	10,638	1,745	8,239	109	—	—	—	—	—	—
\$5,000 under \$10,000.....	2,730,715	22,874,723	728,534	1,451,303	11,537,301	178,587	787,046	6,796,562	269,190	480,180	4,444,873	267,051
\$10,000 under \$15,000.....	6,158,596	77,754,947	5,183,258	588,499	6,975,895	121,217	1,001,635	11,929,942	492,995	1,644,992	20,339,562	1,234,162
\$15,000 under \$20,000.....	7,266,873	127,659,647	12,305,800	158,871	2,720,182	46,236	264,841	4,561,605	187,009	665,216	11,392,345	701,731
\$20,000 under \$30,000.....	12,721,593	312,383,982	39,482,090	84,595	2,064,382	31,136	122,545	2,872,129	118,048	310,337	7,166,128	442,033
\$30,000 under \$50,000.....	7,991,982	293,474,268	48,906,713	37,293	1,371,888	22,311	40,023	1,482,396	60,337	59,246	2,106,869	128,533
\$50,000 under \$100,000.....	1,715,731	111,873,458	26,668,772	11,265	734,755	9,789	9,517	592,193	24,490	12,785	808,034	48,318
\$100,000 under \$200,000.....	323,465	42,531,789	14,010,461	2,526	327,052	5,082	1,260	159,272	6,272	1,869	239,569	14,190
\$200,000 or more.....	82,508	31,878,557	13,725,494	219	70,055	1,195	232	61,488	2,552	382	132,172	7,949
Nonjoint Returns												
Total	32,691,066	382,288,889	53,413,324	3,747,544	18,258,279	291,655	2,767,221	16,426,967	666,481	3,274,456	22,435,897	1,362,626
No adjusted gross income.....	1,124	- 87,172	11,038	—	—	—	—	—	—	—	—	—
\$1 under \$5,000.....	4,705,320	18,911,189	521,314	2,802,908	10,583,606	159,553	1,692,712	7,633,277	308,239	119,112	407,970	24,347
\$5,000 under \$10,000.....	12,716,966	94,456,094	7,621,205	820,676	5,720,378	98,870	925,267	6,603,897	268,046	2,829,273	17,525,546	1,062,146
\$10,000 under \$15,000.....	7,905,098	96,668,856	11,774,476	83,792	983,011	16,910	112,310	1,318,728	54,720	254,670	3,027,928	185,067
\$15,000 under \$20,000.....	3,979,899	68,474,554	10,355,466	25,617	436,306	7,382	20,722	350,077	13,847	47,109	787,234	49,069
\$20,000 under \$30,000.....	2,518,165	59,507,772	10,629,927	7,451	178,120	3,031	10,330	231,770	9,534	20,304	467,028	28,152
\$30,000 under \$50,000.....	654,058	23,717,015	5,172,579	4,839	167,921	2,842	4,463	171,588	7,252	2,054	70,731	4,472
\$50,000 under \$100,000.....	165,538	10,747,681	3,142,188	1,858	128,883	2,030	1,166	76,598	3,093	1,588	94,407	6,064
\$100,000 under \$200,000.....	33,745	4,437,280	1,645,213	366	47,885	879	210	29,915	1,314	300	37,822	2,268
\$200,000 or more.....	11,153	5,455,621	2,539,919	37	12,169	157	41	11,118	436	46	17,230	1,040

Footnote(s) at end of table.

Table 3.4 — Returns With Total Income Tax: Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued											
	7 under 10 percent			10 under 12 percent			12 under 15 percent			15 under 17 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All Returns												
Total	13,479,786	181,442,985	15,689,186	10,860,601	183,358,577	20,237,021	14,134,840	297,757,018	40,076,932	6,231,139	161,742,349	25,806,545
No adjusted gross income.....	—	—	—	—	—	—	—	—	—	—	—	—
\$1 under \$5,000.....	60,420	164,219	13,818	20,658	83,973	9,447	*9,202	*37,427	*4,892	*420	*2,030	*324
\$5,000 under \$10,000.....	5,064,719	37,008,332	3,161,184	2,977,217	26,729,679	2,911,728	101,596	876,207	113,867	9,660	82,783	12,867
\$10,000 under \$15,000.....	3,525,289	44,566,283	3,757,284	1,779,602	21,896,390	2,403,553	4,405,034	53,864,429	7,204,536	618,011	8,829,234	1,359,009
\$15,000 under \$20,000.....	2,840,218	48,776,172	4,264,378	2,643,316	46,431,618	5,109,025	2,078,986	37,372,343	4,908,036	1,450,889	24,113,663	3,883,300
\$20,000 under \$30,000.....	1,712,098	39,926,240	3,525,057	2,944,823	70,005,964	7,773,762	5,666,744	137,949,934	18,601,262	2,255,248	58,485,166	9,291,644
\$30,000 under \$50,000.....	247,524	8,632,974	762,570	466,373	16,086,866	1,794,787	1,800,339	62,607,788	8,557,413	1,808,792	64,471,902	10,331,452
\$50,000 under \$100,000.....	25,374	1,626,978	141,408	25,329	1,595,570	176,631	67,093	4,085,019	556,207	83,503	4,987,381	804,532
\$100,000 under \$200,000.....	3,480	452,152	38,810	2,899	376,279	41,523	4,968	640,587	86,874	3,779	497,544	79,726
\$200,000 or more.....	664	289,635	24,676	384	152,238	16,565	878	323,285	43,846	836	272,647	43,691
Joint Returns												
Total	7,054,021	126,499,491	10,968,263	6,071,666	132,306,629	14,616,972	8,386,663	219,140,868	29,495,472	3,736,935	118,307,526	18,879,432
No adjusted gross income.....	—	—	—	—	—	—	—	—	—	—	—	—
\$1 under \$5,000.....	*88	*263	*20	—	—	—	—	—	—	*420	*2,030	*324
\$5,000 under \$10,000.....	6,758	58,751	4,690	*2,657	*18,841	*1,966	*1,708	*11,425	*1,593	*506	*3,101	*471
\$10,000 under \$15,000.....	2,530,436	32,895,365	2,741,381	385,243	5,511,600	576,629	4,560	64,003	7,962	*1,663	*21,136	*3,502
\$15,000 under \$20,000.....	2,621,584	45,084,496	3,944,802	2,377,127	41,917,721	4,608,877	1,170,459	21,823,762	2,780,579	*6,363	*114,646	*18,079
\$20,000 under \$30,000.....	1,631,234	38,081,690	3,364,009	2,826,063	67,249,298	7,466,845	5,380,300	131,308,532	17,696,934	1,878,320	49,790,417	7,896,164
\$30,000 under \$50,000.....	237,575	8,279,401	731,977	454,038	15,656,078	1,746,593	1,760,827	61,222,865	8,368,103	1,766,042	62,939,009	10,084,218
\$50,000 under \$100,000.....	22,736	1,470,435	127,455	23,726	1,502,135	166,567	63,696	3,877,900	527,768	79,442	4,747,283	766,046
\$100,000 under \$200,000.....	3,070	398,157	34,188	2,490	322,772	35,527	4,337	554,962	74,916	3,446	454,280	72,869
\$200,000 or more.....	540	230,933	19,742	322	128,183	13,966	776	277,397	37,615	733	235,624	37,758
Nonjoint Returns												
Total	6,425,765	54,943,494	4,720,923	4,788,935	51,051,949	5,620,050	5,748,177	78,616,150	10,581,461	2,494,204	43,434,824	6,927,113
No adjusted gross income.....	—	—	—	—	—	—	—	—	—	—	—	—
\$1 under \$5,000.....	60,332	163,955	13,798	20,658	83,973	9,447	*9,202	*37,427	*4,892	—	—	—
\$5,000 under \$10,000.....	5,057,961	36,949,581	3,156,495	2,974,560	26,710,837	2,909,762	99,888	864,782	112,273	*9,154	*79,683	*12,396
\$10,000 under \$15,000.....	994,853	11,670,918	1,015,904	1,394,359	16,384,790	1,826,924	4,400,474	53,800,426	7,196,573	616,348	8,808,098	1,355,507
\$15,000 under \$20,000.....	218,634	3,691,676	319,577	266,189	4,513,898	500,148	908,527	15,548,580	2,127,457	1,444,526	23,999,017	3,865,222
\$20,000 under \$30,000.....	80,864	1,844,550	161,048	118,760	2,756,666	306,918	286,444	6,641,402	904,328	376,929	8,694,748	1,395,480
\$30,000 under \$50,000.....	9,949	353,574	30,593	12,335	430,788	48,193	39,512	1,384,903	189,311	42,750	1,532,893	247,233
\$50,000 under \$100,000.....	2,638	156,543	13,953	1,603	93,435	10,063	3,397	207,119	28,439	4,061	240,098	38,486
\$100,000 under \$200,000.....	410	53,995	4,622	409	53,507	5,996	631	85,625	11,958	333	43,263	6,857
\$200,000 or more.....	124	58,702	4,934	62	24,055	2,599	102	45,887	6,231	103	37,023	5,933

Footnote(s) at end of table.

Table 3.4 — Returns With Total Income Tax: Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued											
	17 under 20 percent			20 under 25 percent			25 under 30 percent			30 under 40 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All Returns												
Total	5,096,078	158,350,263	29,064,166	2,880,827	119,123,712	26,327,423	807,000	51,689,785	14,093,012	530,282	56,281,126	19,342,788
No adjusted gross income.....	—	—	—	—	—	—	—	—	—	—	—	—
\$1 under \$5,000.....	—	—	—	—	*6	*9	*2	*368	*736	*198	*172	*684
\$5,000 under \$10,000.....	*27	*201	*38	*45	*317	*75	*45	*359	*104	*13	*122	*38
\$10,000 under \$15,000.....	48,960	680,855	122,990	*612	*8,211	*1,805	*31	*338	*91	*29	*304	*93
\$15,000 under \$20,000.....	1,002,854	18,329,075	3,296,149	46,924	841,580	180,631	*196	*3,116	*836	*47	*751	*286
\$20,000 under \$30,000.....	1,332,836	33,254,269	6,071,213	756,381	18,868,122	4,091,588	13,473	351,952	91,584	1,754	49,374	15,782
\$30,000 under \$50,000.....	2,480,958	91,439,723	16,840,657	1,441,729	58,381,307	12,754,476	218,644	8,752,657	2,325,330	31,531	1,362,658	438,638
\$50,000 under \$100,000.....	221,280	13,139,630	2,453,533	610,906	37,294,327	8,450,350	519,866	34,857,447	9,527,441	275,874	21,511,273	7,104,808
\$100,000 under \$200,000.....	7,638	978,140	181,672	21,470	2,644,002	602,674	50,168	6,132,882	1,707,819	195,966	25,376,092	8,908,108
\$200,000 or more.....	1,525	528,371	97,913	2,754	1,085,837	245,824	4,209	1,590,300	439,610	24,896	7,979,868	2,874,776
Joint Returns												
Total	3,079,124	115,373,615	21,174,562	1,811,085	89,037,174	19,712,504	596,666	42,573,136	11,617,282	417,550	48,098,155	16,526,855
No adjusted gross income.....	—	—	—	—	—	—	—	—	—	—	—	—
\$1 under \$5,000.....	—	—	—	—	*6	*9	*2	*368	*736	*198	*172	*684
\$5,000 under \$10,000.....	*27	*201	*38	*45	*317	*75	*45	*359	*104	*13	*122	*38
\$10,000 under \$15,000.....	*1,186	*12,816	*2,245	*134	*1,768	*387	*12	*135	*35	*23	*236	*72
\$15,000 under \$20,000.....	*1,241	*23,325	*4,411	*128	*2,153	*475	*32	*565	*158	*47	*751	*286
\$20,000 under \$30,000.....	479,913	13,651,832	2,411,350	6,924	163,166	37,036	*68	*1,715	*498	*663	*1,519	*594
\$30,000 under \$50,000.....	2,374,372	87,641,170	16,136,010	1,193,347	49,582,504	10,770,794	64,708	3,018,731	781,189	2,537	98,636	33,000
\$50,000 under \$100,000.....	213,952	12,691,527	2,369,714	588,227	35,903,195	8,133,605	480,342	32,418,988	8,851,464	206,915	16,914,819	5,523,634
\$100,000 under \$200,000.....	7,108	912,982	169,424	19,817	2,430,817	554,505	47,377	5,786,393	1,611,743	184,543	23,923,861	8,386,760
\$200,000 or more.....	1,325	439,763	81,371	2,457	953,245	215,626	3,721	1,345,551	371,902	22,808	7,141,209	2,577,123
Nonjoint Returns												
Total	2,016,954	42,976,648	7,889,604	1,069,742	30,086,538	6,614,919	210,334	9,116,649	2,475,731	112,732	8,182,971	2,815,933
No adjusted gross income.....	—	—	—	—	—	—	—	—	—	—	—	—
\$1 under \$5,000.....	—	—	—	—	—	—	—	—	—	*171	*681	*257
\$5,000 under \$10,000.....	—	—	—	—	—	—	—	—	—	—	—	—
\$10,000 under \$15,000.....	47,774	668,040	120,745	*478	*6,443	*1,418	*7	*35	*9	—	—	—
\$15,000 under \$20,000.....	1,001,613	18,305,750	3,291,739	46,796	839,427	180,156	*19	*203	*56	*6	*68	*21
\$20,000 under \$30,000.....	852,923	19,602,436	3,659,864	749,457	18,704,956	4,054,552	13,405	350,237	91,086	*1,091	*30,855	*9,840
\$30,000 under \$50,000.....	106,586	3,798,553	704,647	248,382	8,798,803	1,983,681	153,936	5,733,926	1,544,141	28,994	1,264,023	405,638
\$50,000 under \$100,000.....	7,328	448,103	83,818	22,679	1,391,132	316,745	39,524	2,438,459	675,976	68,959	4,596,454	1,581,174
\$100,000 under \$200,000.....	530	65,158	12,248	1,653	213,185	48,169	2,791	346,490	96,076	11,423	1,452,231	521,349
\$200,000 or more.....	200	88,608	16,543	297	132,592	30,198	488	244,748	67,708	2,088	838,659	297,653

Footnote(s) at end of table.

Table 3.4 — Returns With Total Income Tax: Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued											
	40 under 50 percent			50 under 70 percent			70 under 100 percent			100 percent or more		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	
All Returns												
Total	108,574	23,459,456	10,342,132	24,732	11,371,570	6,478,231	1,682	172,156	136,625	11,799	- 501,400	159,171
No adjusted gross income.....	—	—	—	—	—	—	—	—	—	7,971	- 559,333	70,473
\$1 under \$5,000.....	—	—	—	*20	*77	*41	*315	*1,404	*1,249	2,869	3,069	9,474
\$5,000 under \$10,000.....	*61	*495	*216	*189	*969	*628	*279	*2,163	*1,840	85	635	3,264
\$10,000 under \$15,000.....	*30	*368	*177	*38	*491	*286	*16	*220	*193	144	1,612	2,646
\$15,000 under \$20,000.....	*9	*170	*76	*829	*15,714	*9,186	*47	*801	*618	81	1,447	3,469
\$20,000 under \$30,000.....	*87	*2,471	*1,209	339	8,617	5,210	149	3,628	2,856	56	1,457	2,820
\$30,000 under \$50,000.....	940	37,200	17,157	1,030	36,907	19,261	137	5,469	4,735	125	4,439	7,069
\$50,000 under \$100,000.....	11,406	918,863	390,906	1,872	132,158	72,942	431	27,330	23,611	156	10,292	14,808
\$100,000 under \$200,000.....	56,186	8,383,721	3,618,047	3,930	617,907	330,860	128	18,389	15,009	67	9,859	14,546
\$200,000 or more.....	39,855	14,116,166	6,314,344	16,485	10,558,731	6,039,818	179	112,727	86,496	39	20,143	24,525
Joint Returns												
Total	82,917	19,577,420	8,622,582	17,343	8,448,256	4,800,107	1,312	140,265	110,974	10,213	- 422,683	135,667
No adjusted gross income.....	—	—	—	—	—	—	—	—	—	6,847	- 472,161	59,434
\$1 under \$5,000.....	—	—	—	*9	*42	*23	*315	*1,404	*1,249	2,655	2,804	8,711
\$5,000 under \$10,000.....	*61	*495	*216	*189	*969	*628	*107	*860	*811	77	583	3,084
\$10,000 under \$15,000.....	*29	*354	*170	*38	*491	*286	*16	*220	*193	130	1,424	2,023
\$15,000 under \$20,000.....	*9	*170	*76	*829	*15,714	*9,186	*47	*801	*618	79	1,410	3,277
\$20,000 under \$30,000.....	*87	*2,471	*1,209	339	8,617	5,210	149	3,628	2,856	56	1,457	2,820
\$30,000 under \$50,000.....	771	31,801	14,960	965	33,781	17,664	116	4,806	4,093	122	4,314	6,929
\$50,000 under \$100,000.....	1,532	111,098	48,879	1,138	71,985	40,461	307	19,142	16,477	151	9,970	14,106
\$100,000 under \$200,000.....	44,263	6,805,361	2,915,362	1,188	191,669	103,734	109	15,501	12,672	62	9,142	13,218
\$200,000 or more.....	36,165	12,625,670	5,641,710	12,648	8,124,989	4,622,916	146	93,904	72,006	34	18,374	22,065
Nonjoint Returns												
Total	25,657	3,882,036	1,719,550	7,389	2,923,314	1,678,124	370	31,891	25,651	1,586	- 78,717	23,504
No adjusted gross income.....	—	—	—	—	—	—	—	—	—	1,124	- 87,172	11,038
\$1 under \$5,000.....	—	—	—	*11	*34	*18	—	—	—	*214	*265	*763
\$5,000 under \$10,000.....	—	—	—	—	—	—	**173	**1,329	**1,047	*8	*52	*180
\$10,000 under \$15,000.....	**	**	**	—	—	—	—	—	—	**16	**225	**815
\$15,000 under \$20,000.....	—	—	—	—	—	—	—	—	—	**	**	**
\$20,000 under \$30,000.....	—	—	—	—	—	—	**	**	**	*206	*4,980	*6,077
\$30,000 under \$50,000.....	**170	**5,413	**2,203	*65	*3,126	*1,596	—	*663	*642	*3	*125	*140
\$50,000 under \$100,000.....	9,874	807,766	342,027	734	60,174	32,481	*124	*8,188	*7,135	5	322	703
\$100,000 under \$200,000.....	11,923	1,578,360	702,685	2,742	426,238	227,126	*19	*2,888	*2,338	5	717	1,328
\$200,000 or more.....	3,690	1,490,497	672,634	3,837	2,433,741	1,416,902	33	18,823	14,490	5	1,770	2,461

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

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

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

Table 3.5 - Returns With Income Tax Before Credits: Tax and Credits, by Size of Adjusted Gross Income

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

Table with 16 columns: Size of adjusted gross income, Income tax before credits (Number of returns, Amount), Total (Number of returns, Amount), Credit for the elderly (Number of returns, Amount), Foreign tax credit (Number of returns, Amount), Investment credit (Total, Business energy investment credit, nonrefundable portion), Political contributions credit (Number of returns, Amount). Rows include 'All returns, total', 'Taxable returns, total', and 'Total nontaxable returns'.

Footnote(s) at end of table.

Table 3.6 — Returns With Earned Income Credit: Earned Income by Type and Credit Before and After Phaseout, by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns				Adjusted gross income less deficit	Earned income				Earned income credit			
	Total	Joint returns	Returns of heads of households	Total		Salaries and wages		Self-employment income (net)		Before phaseout	After phaseout		
						Number of returns	Amount	Number of returns	Amount		Total	Used to offset income tax before credits	
												Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
Total	7,134,756	3,311,172	3,773,820	41,985,639	42,068,347	6,677,910	39,605,150	1,018,518	2,463,197	4,203,696	2,051,945	3,454,384	495,500
No adjusted gross income.....	57,055	53,680	3,340	- 928,193	184,972	30,246	97,545	51,570	87,427	18,481	14,826	*167	*1
\$1 under \$1,000.....	211,331	71,822	138,906	122,326	140,820	189,727	146,297	33,252	- 5,476	13,982	13,402	—	—
\$1,000 under \$2,000.....	341,867	117,458	224,055	520,374	540,617	310,746	528,381	44,970	12,235	53,902	52,150	—	—
\$2,000 under \$3,000.....	494,355	177,911	312,528	1,225,932	1,225,100	456,147	1,161,031	61,772	64,070	122,301	120,664	—	—
\$3,000 under \$4,000.....	580,488	231,495	340,388	2,051,749	2,009,685	535,799	1,862,276	92,726	147,409	200,718	195,091	18,108	923
\$4,000 under \$5,000.....	699,641	257,184	439,196	3,153,904	3,108,248	646,647	2,881,148	105,041	227,101	310,522	300,181	178,152	11,428
\$5,000 under \$6,000.....	838,948	336,084	495,882	4,629,741	4,535,626	784,433	4,200,886	124,413	334,740	453,193	400,603	358,131	53,856
\$6,000 under \$7,000.....	959,952	458,752	496,320	6,220,826	6,076,200	903,834	5,721,670	123,880	354,530	607,190	405,892	513,361	97,927
\$7,000 under \$8,000.....	1,019,520	510,929	501,975	7,641,354	7,460,101	969,609	7,047,188	138,527	412,912	745,565	308,044	734,195	148,344
\$8,000 under \$9,000.....	989,408	538,768	444,479	8,409,002	8,141,173	947,212	7,717,305	124,357	423,869	813,677	181,488	812,548	131,695
\$9,000 under \$10,000.....	942,191	557,089	376,751	8,938,623	8,645,804	903,510	8,241,423	118,010	404,381	864,165	59,612	839,722	51,327

Size of adjusted gross income	Earned income credit—Continued						Income tax before credits		Income tax after credits		Advance earned income credit payments	
	After phaseout—Continued						Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	Used to offset all other taxes		Refundable portion		Returns with wholly refundable earned income credit							
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount						
(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	
Total	733,611	161,084	5,119,516	1,395,361	3,061,117	964,017	3,597,258	1,110,626	1,753,946	542,799	24,098	3,746
No adjusted gross income.....	50,125	8,992	47,468	5,833	6,930	2,117	—	—	—	—	—	—
\$1 under \$1,000.....	17,237	1,627	208,932	11,775	194,094	11,164	*457	*65	—	—	—	—
\$1,000 under \$2,000.....	34,380	3,976	341,017	48,174	307,487	46,554	—	—	—	—	—	—
\$2,000 under \$3,000.....	50,789	7,799	492,765	112,865	443,566	108,903	—	—	—	—	—	—
\$3,000 under \$4,000.....	79,022	16,939	576,176	177,229	484,345	163,505	19,738	1,004	—	—	*2,137	*293
\$4,000 under \$5,000.....	91,672	25,120	691,711	263,634	436,832	186,313	187,560	12,215	*486	*34	—	—
\$5,000 under \$6,000.....	107,896	33,065	818,881	313,682	390,502	185,337	369,822	57,111	*4,185	*222	*1,870	*338
\$6,000 under \$7,000.....	100,616	30,608	868,351	277,348	367,195	158,814	537,950	109,991	38,926	3,187	*6,011	*1,511
\$7,000 under \$8,000.....	99,631	20,957	656,015	138,744	227,400	71,530	763,721	206,570	291,562	44,944	*5,894	*732
\$8,000 under \$9,000.....	64,960	9,692	315,034	40,101	131,655	24,908	844,685	309,809	616,651	161,096	*8,186	*872
\$9,000 under \$10,000.....	37,283	2,309	103,166	5,976	71,111	4,873	873,325	413,861	802,136	333,317	—	—

*Estimate should be used with caution because of small number of sample returns on which it is based.
NOTE: Detail may not add to total because of rounding.

Table 3.7 — Returns With Regular Tax Preferences: Selected Sources of Income, Tax Items, Tax Preferences, and Computation of Minimum Tax, by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Business and profession, net profit less loss		Farm net profit less loss		Sales of capital assets					
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Total net gain		Net long-term capital gains in adjusted gross income		Net long-term capital gains excluded from adjusted gross income	
									Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
Total	157,402	19,117,580	119,441	9,723,525	59,269	1,078,109	15,528	- 318,579	121,328	4,903,044	90,808	4,513,206	90,672	6,595,724
No adjusted gross income.....	5,249	- 1,027,642	3,515	207,964	3,169	- 175,931	1,468	- 94,716	3,760	293,851	3,592	260,917	3,592	367,760
\$1 under \$10,000.....	4,020	18,025	3,036	45,192	1,686	- 1,507	78	- 1,866	2,288	40,521	1,855	36,206	1,855	48,488
\$10,000 under \$15,000.....	3,393	40,606	2,347	50,767	1,770	15,912	*129	*- 324	2,274	14,660	825	14,962	825	18,980
\$15,000 under \$20,000.....	3,994	64,502	1,070	35,893	1,216	16,007	*15	*- 1,025	3,916	26,483	2,296	24,000	2,296	33,912
\$20,000 under \$30,000.....	14,195	362,294	10,717	306,035	7,608	14,925	448	- 12,478	7,943	96,052	6,557	84,311	6,557	115,308
\$30,000 under \$50,000.....	28,831	1,143,238	22,311	928,928	9,156	121,968	2,311	- 19,995	20,434	186,956	15,029	174,521	14,962	217,776
\$50,000 under \$100,000.....	44,142	3,145,447	34,019	2,165,174	14,558	233,751	4,516	- 35,803	34,422	440,335	25,221	384,980	25,154	543,947
\$100,000 under \$200,000.....	32,775	4,526,107	25,901	2,762,980	11,991	280,082	3,697	- 35,777	27,150	596,733	20,161	513,686	20,160	751,953
\$200,000 under \$500,000.....	16,014	4,784,875	12,758	2,087,776	6,152	227,560	2,074	- 55,876	14,574	832,212	11,440	755,417	11,440	1,119,079
\$500,000 under \$1,000,000.....	3,294	2,211,267	2,583	661,091	1,319	92,092	530	- 25,198	3,122	563,417	2,572	523,401	2,570	779,266
\$1,000,000 or more.....	1,495	3,848,861	1,184	471,725	644	253,250	262	- 45,522	1,445	1,811,825	1,260	1,740,804	1,261	2,599,255

Size of adjusted gross income	Dividends in adjusted gross income		Interest received		Rent net income less loss		Royalty net income less loss		Partnership net income less loss		Itemized deductions			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Total		Contributions deduction	
											Number of returns	Amount	Number of returns	Amount
(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	
Total	102,158	3,191,401	146,916	2,006,425	75,619	- 53,239	30,930	1,132,967	114,601	- 2,325,380	139,347	4,945,590	133,271	1,236,724
No adjusted gross income.....	2,709	85,443	4,987	116,852	2,627	- 75,378	989	9,167	4,047	- 678,957	—	—	—	—
\$1 under \$10,000.....	409	3,378	2,134	21,650	665	- 13,638	108	1,235	3,384	- 39,208	1,675	21,165	1,299	1,717
\$10,000 under \$15,000.....	477	2,739	1,508	6,977	638	- 3,057	*101	*- 3,391	1,119	- 35,405	3,183	22,459	2,698	1,280
\$15,000 under \$20,000.....	3,321	7,143	3,748	12,810	1,875	- 3,705	*135	*499	2,617	- 42,763	2,681	24,740	2,623	3,566
\$20,000 under \$30,000.....	5,111	27,671	13,391	40,141	8,187	- 28,502	1,353	15,958	10,312	- 99,745	11,468	109,523	10,771	10,649
\$30,000 under \$50,000.....	15,783	81,092	26,364	137,353	13,530	- 24,711	4,438	82,168	17,633	- 320,351	26,727	366,232	24,942	52,760
\$50,000 under \$100,000.....	28,942	297,026	42,391	340,687	21,134	- 40,078	9,286	242,404	30,902	- 495,593	41,273	794,712	39,728	124,123
\$100,000 under \$200,000.....	26,597	579,076	31,913	391,470	15,821	28,665	7,997	251,233	26,551	- 421,592	31,760	1,061,721	31,007	200,307
\$200,000 under \$500,000.....	14,306	874,574	15,728	436,035	8,529	82,194	4,862	277,882	13,786	- 176,915	15,823	1,101,977	15,511	292,985
\$500,000 under \$1,000,000.....	3,073	512,599	3,262	197,931	1,788	14,053	1,101	111,853	2,916	- 17,084	3,270	528,439	3,218	185,049
\$1,000,000 or more.....	1,430	720,661	1,490	304,519	825	10,917	560	143,959	1,334	2,233	1,487	914,621	1,474	364,287

Footnote(s) at end of table.

Table 3.7 — Returns With Regular Tax Preferences: Selected Sources of Income, Tax Items, Tax Preferences, and Computation of Minimum Tax, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Itemized deductions—Continued				Number of returns with no taxable income	Income subject to tax		Income tax before credits		Income tax after credits		Computation of minimum tax		
	Interest paid deduction		Miscellaneous deductions (excluding casualty and theft loss)			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Tax preferences		
	Number of returns	Amount	Number of returns	Amount								Total	Accelerated depreciation	
						Number of returns	Amount							
(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	
Total	126,479	1,760,182	109,730	359,318	10,061	147,341	14,946,958	144,950	7,270,256	137,177	6,855,731	4,213,539	78,011	690,065
No adjusted gross income.....	—	—	—	—	5,249	—	—	5	62	3	15	261,096	2,747	81,582
\$1 under \$10,000.....	1,612	13,688	1,064	473	1,677	2,343	7,306	671	200	*225	*77	47,886	2,482	12,528
\$10,000 under \$15,000.....	3,126	11,513	2,634	3,226	344	3,049	21,687	2,849	1,817	*2,285	*1,036	25,994	924	7,824
\$15,000 under \$20,000.....	2,678	10,958	2,004	1,236	325	3,669	37,311	3,527	4,678	3,116	4,424	32,280	3,366	4,836
\$20,000 under \$30,000.....	10,948	61,020	8,832	5,215	312	13,883	245,229	13,820	43,652	12,934	35,539	169,686	6,486	40,245
\$30,000 under \$50,000.....	24,235	186,807	19,418	18,245	1,381	27,450	766,009	27,206	171,002	24,561	152,893	354,244	14,093	54,361
\$50,000 under \$100,000.....	37,368	340,292	33,114	61,054	380	43,762	2,281,769	43,743	739,107	41,406	670,470	897,564	19,622	117,397
\$100,000 under \$200,000.....	28,410	411,072	25,726	76,728	271	32,504	3,383,792	32,485	1,471,015	32,168	1,370,329	906,596	17,163	166,118
\$200,000 under \$500,000.....	13,918	373,534	12,908	90,765	97	15,917	3,618,781	15,884	1,931,727	15,735	1,824,461	810,471	8,424	124,579
\$500,000 under \$1,000,000.....	2,862	145,310	2,752	43,824	20	3,274	1,662,403	3,270	992,269	3,261	940,451	335,851	1,859	44,815
\$1,000,000 or more.....	1,322	205,988	1,278	58,552	5	1,490	2,922,670	1,490	1,914,727	1,483	1,856,034	371,870	845	35,781

Size of adjusted gross income	Computation of minimum tax—Continued													
	Accelerated depreciation—Continued						Amortization							
	Low income rental housing		Other real property		Leased personal property		Total		Of pollution control facilities		Of railroad rolling stock		Of on-the-job training facilities	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	
Total	10,832	142,559	63,888	386,662	19,293	160,844	286	1,552	157	1,088	*42	*415	*85	*45
No adjusted gross income.....	557	18,307	2,333	50,624	401	12,651	**	**	—	—	—	—	—	—
\$1 under \$10,000.....	*36	*321	2,437	11,330	131	877	—	—	—	—	—	—	—	—
\$10,000 under \$15,000.....	*23	*376	578	3,069	*348	*4,378	—	—	—	—	—	—	—	—
\$15,000 under \$20,000.....	*86	*1,945	1,977	2,854	*1,367	*37	—	—	—	—	—	—	—	—
\$20,000 under \$30,000.....	765	17,858	5,757	17,450	2,309	4,937	—	—	—	—	—	—	—	—
\$30,000 under \$50,000.....	1,277	10,422	12,122	36,085	2,051	7,854	—	—	—	—	—	—	—	—
\$50,000 under \$100,000.....	2,883	20,598	15,135	63,622	5,413	33,177	**178	**978	*111	*977	—	—	*66	*1
\$100,000 under \$200,000.....	3,149	34,909	14,012	82,150	4,502	49,060	*59	*327	*19	*15	*30	*281	*10	*31
\$200,000 under \$500,000.....	1,535	25,585	7,161	66,711	2,140	32,283	*40	*148	*24	*72	*7	*63	*9	*13
\$500,000 under \$1,000,000.....	373	7,080	1,630	27,171	437	10,564	6	86	*23	**23	**5	*71	—	—
\$1,000,000 or more.....	148	5,159	746	25,596	194	5,026	3	12	**	**	**	**	—	—

Footnote(s) at end of table.

Table 3.7 — Returns With Regular Tax Preferences: Selected Sources of Income, Tax Items, Tax Preferences, and Computation of Minimum Tax, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Computation of minimum tax—Continued												Recomputed tax preference income	
	Tax preferences—Continued										Number of returns	Amount		
	Stock options		Bad debt reserves		Depletion		Intangible drilling costs		Type not reported					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
(57)	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)	(66)	(67)			(68)	
Total	11,001	300,996	*37	*193	56,364	1,406,527	53,267	1,357,911	13,994	456,294	156,548	4,194,152		
No adjusted gross income.....	4	416	—	—	1,020	18,743	1,853	103,222	856	57,133	5,202	246,631		
\$1 under \$10,000.....	*315	*11,770	—	—	613	3,888	215	7,528	839	12,172	4,020	47,687		
\$10,000 under \$15,000.....	*1,344	*146	—	—	*6	*190	*242	*4,944	*885	*12,889	3,393	25,961		
\$15,000 under \$20,000.....	—	—	—	—	*355	*4,039	559	13,477	*1,311	*9,928	3,994	32,073		
\$20,000 under \$30,000.....	*74	*561	—	—	4,153	39,294	5,514	63,773	1,405	25,813	14,156	169,610		
\$30,000 under \$50,000.....	*2,262	*30,673	—	—	7,084	72,453	6,229	97,291	4,254	99,466	28,074	352,122		
\$50,000 under \$100,000.....	4,443	103,205	—	—	16,643	221,059	16,471	365,364	2,832	89,560	44,141	895,479		
\$100,000 under \$200,000.....	1,739	78,697	**37	**193	14,893	309,234	13,232	298,711	1,077	53,503	32,774	906,508		
\$200,000 under \$500,000.....	731	61,218	—	—	8,726	351,704	6,796	226,697	414	46,124	16,005	810,362		
\$500,000 under \$1,000,000.....	70	11,597	—	—	1,928	173,538	1,457	88,516	85	17,300	3,294	335,850		
\$1,000,000 or more.....	19	2,713	**	**	943	212,383	699	88,388	36	32,407	1,495	371,870		

Size of adjusted gross income	Computation of minimum tax—Continued															
	Exclusion								Tax preferences subject to tax		Tentative minimum tax		Net operating loss eligible for carryover		Net operating loss credit	
	Total		Standard exclusion		Exclusion due to —				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	All taxes		Income tax after credits									
Number of returns					Amount	Number of returns	Amount									
(69)	(70)	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)	(81)	(82)	(83)	(84)	
Total	156,548	6,832,632	97,662	663,232	58,891	6,169,401	58,739	6,131,502	75,577	2,123,446	75,294	318,444	1,492	422,777	1,410	13,673
No adjusted gross income.....	5,202	46,044	5,175	44,716	27	1,328	**	**	3,659	201,401	3,659	30,194	1,419	412,959	1,358	13,086
\$1 under \$10,000.....	4,020	23,619	4,020	23,619	—	—	—	—	2,257	24,068	2,257	3,609	**12	**1,598	**12	**15
\$10,000 under \$15,000.....	3,393	16,084	3,393	16,084	—	—	—	—	1,577	9,876	1,577	1,481	**	**	**	**
\$15,000 under \$20,000.....	3,994	17,708	3,994	17,708	—	—	—	—	847	14,365	847	2,154	—	—	—	—
\$20,000 under \$30,000.....	14,156	90,633	14,156	90,633	**3	**27	—	—	7,830	78,977	7,830	11,835	**11	**2,315	**10	**27
\$30,000 under \$50,000.....	28,074	183,375	28,073	183,348	**	**	—	—	13,474	168,760	13,474	25,308	**	**	**	**
\$50,000 under \$100,000.....	44,141	539,690	32,556	239,423	11,585	300,266	**11,583	**298,998	26,124	551,247	25,862	82,675	*9	*2,041	*9	*301
\$100,000 under \$200,000.....	32,774	1,334,596	5,195	39,205	27,579	1,295,391	27,493	1,287,417	14,086	452,246	14,065	67,830	*15	*1,546	6	201
\$200,000 under \$500,000.....	16,005	1,800,476	975	7,510	15,030	1,792,966	15,001	1,778,619	4,675	356,194	4,675	53,427	*17	*1,026	*11	*23
\$500,000 under \$1,000,000.....	3,294	939,070	95	740	3,202	938,329	3,200	929,762	759	139,183	759	20,862	5	1,120	**4	**19
\$1,000,000 or more.....	1,495	1,841,338	30	244	1,465	1,841,094	1,462	1,836,706	289	127,128	289	19,069	4	172	**	**

Footnote(s) at end of table.

Table 3.7 — Returns With Regular Tax Preferences: Selected Sources of Income, Tax Items, Tax Preferences, and Computation of Minimum Tax, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Computation of minimum tax — Continued											
	Net tentative minimum tax		Minimum tax deferred from prior years		Tentative minimum tax before credits		Unused tax credits		Minimum tax			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Reported on Form 4625		Reported on Form 1040	
									Number of returns	Amount	Number of returns	Amount
(85)	(86)	(87)	(88)	(89)	(90)	(91)	(92)	(93)	(94)	(95)	(96)	
Total	74,160	304,771	1,532	6,956	74,585	311,727	3,303	528	74,423	311,199	74,421	309,248
No adjusted gross income.....	2,556	17,108	399	2,981	2,795	20,089	651	136	2,791	19,952	2,839	19,911
\$1 under \$10,000.....	2,246	3,597	**678	**573	2,318	4,168	*351	*34	2,318	4,135	2,257	4,028
\$10,000 under \$15,000.....	1,577	1,478	**	**	1,577	1,480	*198	*51	1,500	1,428	1,549	1,453
\$15,000 under \$20,000.....	847	2,154	*5	*4	852	2,158	*218	*19	852	2,139	852	2,139
\$20,000 under \$30,000.....	7,821	11,809	*3	*20	7,824	11,829	280	10	7,761	11,819	7,453	11,347
\$30,000 under \$50,000.....	13,473	25,306	*194	*441	13,480	25,747	570	99	13,480	25,649	14,098	25,602
\$50,000 under \$100,000.....	25,854	82,374	78	789	25,887	83,163	532	100	25,877	83,063	25,638	82,928
\$100,000 under \$200,000.....	14,064	67,629	83	411	14,088	68,040	308	32	14,087	68,008	13,976	67,402
\$200,000 under \$500,000.....	4,675	53,404	63	638	4,706	54,042	178	44	4,699	53,998	4,703	53,466
\$500,000 under \$1,000,000.....	758	20,853	14	546	763	21,399	9	1	763	21,399	762	21,420
\$1,000,000 or more.....	289	19,059	15	553	295	19,611	8	1	295	19,610	294	19,550

*Estimate should be used with caution because of the small number of sample returns on which it is based.
 **Data combined to avoid disclosure of information for specific taxpayers.
 NOTE: Detail may not add to total because of rounding.

Table 3.8 — Returns With Either Alternative Tax Preferences or Alternative Minimum Tax: Selected Sources of Income and Computation of Alternative Minimum Tax, by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Business and profession, net profit less loss		Farm net profit less loss	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total	341,587	22,710,571	207,982	7,374,355	102,754	902,334	82,873	- 146,134
No adjusted gross income.....	11,960	- 945,794	6,401	167,187	4,267	- 210,565	5,594	- 300,714
\$1 under \$10,000.....	13,301	76,316	5,630	74,761	3,565	- 25,310	4,322	- 100,129
\$10,000 under \$15,000.....	17,845	219,622	6,898	79,606	4,364	- 7,264	4,779	- 49,761
\$15,000 under \$20,000.....	17,258	305,563	10,551	153,809	4,406	1,489	6,735	- 69,348
\$20,000 under \$30,000.....	60,526	1,557,513	35,295	428,890	16,525	43,979	18,945	149,725
\$30,000 under \$50,000.....	98,892	3,811,672	56,164	1,272,438	31,274	405,007	24,875	261,742
\$50,000 under \$100,000.....	75,386	5,194,939	52,979	2,035,680	23,679	331,160	11,638	82,595
\$100,000 under \$200,000.....	30,707	4,179,238	22,242	1,606,049	9,633	204,269	3,807	- 33,565
\$200,000 under \$500,000.....	12,202	3,609,216	9,119	1,046,534	3,839	94,131	1,635	- 39,763
\$500,000 under \$1,000,000.....	2,398	1,610,114	1,830	305,478	801	6,630	360	- 16,009
\$1,000,000 or more.....	1,112	3,092,171	873	203,923	401	58,806	183	- 30,907

Size of adjusted gross income	Sales of capital assets						Dividends in adjusted gross income	
	Total net gain		Net long-term capital gains in adjusted gross income		Net long-term capital gains excluded from adjusted gross income		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total	315,419	11,027,706	314,662	10,522,992	314,661	15,738,884	143,635	2,641,775
No adjusted gross income.....	11,917	639,452	11,917	598,611	11,917	891,375	3,175	78,662
\$1 under \$10,000.....	12,110	192,140	12,110	183,680	12,110	275,314	384	4,830
\$10,000 under \$15,000.....	17,791	246,749	17,791	229,679	17,791	342,887	4,382	14,751
\$15,000 under \$20,000.....	17,141	233,728	17,129	227,294	17,129	340,780	4,648	9,337
\$20,000 under \$30,000.....	56,609	666,830	56,609	660,166	56,609	987,682	14,665	73,320
\$30,000 under \$50,000.....	86,581	1,311,349	86,367	1,263,113	86,367	1,885,395	35,294	179,521
\$50,000 under \$100,000.....	69,549	1,697,072	69,116	1,604,492	69,116	2,397,064	44,079	446,254
\$100,000 under \$200,000.....	28,595	1,488,581	28,568	1,398,786	28,568	2,091,792	23,242	509,320
\$200,000 under \$500,000.....	11,723	1,563,595	11,660	1,484,573	11,660	2,222,852	10,550	567,122
\$500,000 under \$1,000,000.....	2,315	857,656	2,309	822,891	2,308	1,231,978	2,176	307,025
\$1,000,000 or more.....	1,088	2,130,554	1,086	2,049,704	1,086	3,071,765	1,040	451,633

Size of adjusted gross income	Interest received		Rent net income less loss		Royalty net income less loss		Partnership net income less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Total	309,279	3,124,587	153,503	- 320,016	25,825	270,558	111,840	- 1,418,899
No adjusted gross income.....	8,802	129,713	4,642	- 84,712	852	10,241	6,711	- 578,512
\$1 under \$10,000.....	10,666	31,835	8,320	- 49,689	549	6,217	1,647	- 22,559
\$10,000 under \$15,000.....	16,380	77,926	7,843	- 53,682	*2,338	*3,722	3,310	- 41,894
\$15,000 under \$20,000.....	14,990	67,641	8,202	- 35,258	*226	*214	3,516	- 29,723
\$20,000 under \$30,000.....	52,505	279,469	27,182	- 30,104	3,564	29,617	13,431	- 37,076
\$30,000 under \$50,000.....	88,102	475,962	40,329	- 63,840	5,791	26,054	23,461	- 101,638
\$50,000 under \$100,000.....	72,530	696,520	34,337	- 24,419	5,500	23,229	29,951	- 163,659
\$100,000 under \$200,000.....	29,863	523,612	14,735	- 3,791	3,960	52,216	18,777	- 161,620
\$200,000 under \$500,000.....	11,972	416,858	6,096	33,483	2,193	51,200	8,410	- 138,716
\$500,000 under \$1,000,000.....	2,367	166,803	1,228	- 3,971	548	29,523	1,766	- 60,737
\$1,000,000 or more.....	1,102	258,247	589	- 4,032	304	45,769	860	- 82,565

Size of adjusted gross income	Itemized deductions							
	Total		Contributions deduction		Interest paid deduction		Miscellaneous deductions (excluding casualty and theft loss)	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
Total	236,136	6,107,883	224,606	1,352,350	197,612	2,399,376	175,674	405,839
No adjusted gross income.....	—	—	—	—	—	—	—	—
\$1 under \$10,000.....	5,201	65,740	4,720	2,215	5,105	48,202	3,849	1,291
\$10,000 under \$15,000.....	9,870	91,686	8,906	7,316	8,690	50,798	8,020	6,504
\$15,000 under \$20,000.....	10,894	97,264	9,611	18,979	5,911	31,615	5,831	2,305
\$20,000 under \$30,000.....	29,113	327,136	27,753	40,389	26,512	169,560	19,357	13,688
\$30,000 under \$50,000.....	71,265	794,154	68,338	124,555	57,686	327,893	51,412	32,338
\$50,000 under \$100,000.....	65,321	1,251,070	62,144	196,512	54,879	534,625	50,970	83,826
\$100,000 under \$200,000.....	29,059	1,154,081	28,202	223,537	25,431	486,539	23,309	83,094
\$200,000 under \$500,000.....	11,927	1,007,912	11,524	244,242	10,322	388,143	9,914	86,384
\$500,000 under \$1,000,000.....	2,379	467,374	2,320	151,402	2,097	155,222	2,045	41,708
\$1,000,000 or more.....	1,107	851,467	1,088	343,202	979	206,778	967	54,703

Footnote(s) at end of table.

Table 3.8 — Returns With Either Alternative Tax Preferences or Alternative Minimum Tax: Selected Sources of Income and Computation of Alternative Minimum Tax, by Size of Adjusted Gross Income.— Continued

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

Size of adjusted gross income	Number of returns with no taxable income	Income subject to tax		Income tax before credits		Income tax after credits	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
		(33)	(34)	(35)	(36)	(37)	(38)	(39)
Total	26,612	314,975	16,488,754	305,680	6,688,544	254,196	5,843,336
No adjusted gross income.....	11,960	—	—	34	376	*30	*327
\$1 under \$10,000.....	5,108	8,193	31,025	4,162	2,170	*3,192	*1,964
\$10,000 under \$15,000.....	2,138	15,707	117,911	13,798	12,827	12,447	9,997
\$15,000 under \$20,000.....	1,033	16,225	183,363	15,733	23,863	12,122	16,572
\$20,000 under \$30,000.....	2,331	58,195	1,111,733	56,268	193,915	42,565	130,523
\$30,000 under \$50,000.....	1,520	97,372	2,739,773	96,885	604,598	74,395	397,402
\$50,000 under \$100,000.....	1,553	73,833	3,672,959	73,483	1,150,689	65,337	931,412
\$100,000 under \$200,000.....	708	29,999	2,850,547	29,916	1,216,259	28,940	1,046,709
\$200,000 under \$500,000.....	208	11,994	2,457,531	11,949	1,322,457	11,738	1,233,099
\$500,000 under \$1,000,000.....	44	2,354	1,102,938	2,349	675,126	2,335	635,140
\$1,000,000 or more.....	9	1,103	2,220,973	1,103	1,486,265	1,095	1,440,190

Size of adjusted gross income	Computation of alternative minimum tax						Adjusted taxable income	
	Total	Alternative tax preferences				Number of returns	Amount	
		Itemized deductions tax preference		Capital gains				
		Number of returns	Amount	Number of returns	Amount			
(40)	(41)	(42)	(43)	(44)	(45)	(46)		
Total	16,267,596	34,179	585,397	313,991	15,682,199	305,505	16,428,650	
No adjusted gross income.....	958,752	2,747	65,677	11,891	693,074	—	—	
\$1 under \$10,000.....	283,389	5,048	32,788	11,881	250,601	4,161	14,138	
\$10,000 under \$15,000.....	363,138	2,804	20,243	17,790	342,895	13,798	74,699	
\$15,000 under \$20,000.....	349,889	1,567	9,132	17,129	340,756	15,733	152,261	
\$20,000 under \$30,000.....	1,033,905	6,307	46,349	56,609	987,556	56,247	988,269	
\$30,000 under \$50,000.....	1,918,384	6,090	40,759	86,165	1,877,625	96,884	2,616,807	
\$50,000 under \$100,000.....	2,478,536	4,611	93,824	68,932	2,384,712	73,409	3,692,628	
\$100,000 under \$200,000.....	2,188,638	3,250	99,822	28,554	2,088,817	29,872	2,937,393	
\$200,000 under \$500,000.....	2,307,824	1,352	89,227	11,651	2,218,597	11,949	2,573,771	
\$500,000 under \$1,000,000.....	1,269,767	282	40,046	2,305	1,229,721	2,349	1,140,257	
\$1,000,000 or more.....	3,115,374	121	47,530	1,084	3,067,844	1,103	2,238,428	

Size of adjusted gross income	Computation of alternative minimum tax—Continued							
	Alternative minimum taxable income							
	Total		Subject to tax at 0 percent			Subject to tax at 10 percent		
	Number of returns	Amount	Tax generated	Number of returns	Amount	Number of returns	Amount	Tax generated
(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	
Total	337,726	32,037,266	5,043,642	337,726	6,534,465	312,441	7,694,282	769,342
No adjusted gross income.....	9,330	459,784	59,973	9,330	145,199	5,842	107,363	10,735
\$1 under \$10,000.....	12,293	273,908	11,323	12,293	191,996	4,877	58,354	5,834
\$10,000 under \$15,000.....	17,845	421,649	11,965	17,845	313,993	11,216	97,518	9,747
\$15,000 under \$20,000.....	17,258	488,682	18,132	17,258	329,005	15,884	143,004	14,294
\$20,000 under \$30,000.....	60,320	2,001,424	93,453	60,320	1,172,042	56,670	739,029	73,877
\$30,000 under \$50,000.....	98,878	4,522,209	307,644	98,878	1,951,699	96,561	2,088,221	208,790
\$50,000 under \$100,000.....	75,385	6,139,834	700,769	75,385	1,504,723	74,975	2,625,619	262,549
\$100,000 under \$200,000.....	30,707	5,104,135	887,193	30,707	612,650	30,707	1,209,125	120,912
\$200,000 under \$500,000.....	12,200	4,868,378	1,059,207	12,200	243,399	12,199	486,584	48,658
\$500,000 under \$1,000,000.....	2,398	2,404,911	570,249	2,398	47,680	2,398	95,304	9,530
\$1,000,000 or more.....	1,112	5,352,351	1,323,735	1,112	22,080	1,112	44,160	4,416

Size of adjusted gross income	Computation of alternative minimum tax—Continued					
	Alternative minimum taxable income—Continued					
	Subject to tax at 20 percent			Subject to tax at 25 percent		
	Number of returns	Amount	Tax generated	Number of returns	Amount	Tax generated
(55)	(56)	(57)	(58)	(59)	(60)	
Total	121,196	3,555,634	711,102	61,654	14,252,886	3,563,198
No adjusted gross income.....	1,702	51,336	10,267	866	155,886	38,971
\$1 under \$10,000.....	481	7,990	1,598	108	15,569	3,892
\$10,000 under \$15,000.....	212	6,314	1,263	75	3,823	956
\$15,000 under \$20,000.....	216	6,612	1,322	129	10,061	2,515
\$20,000 under \$30,000.....	4,304	60,225	12,044	698	30,128	7,532
\$30,000 under \$50,000.....	21,782	434,180	86,827	1,363	48,109	12,027
\$50,000 under \$100,000.....	47,372	1,282,687	256,525	19,217	726,806	181,694
\$100,000 under \$200,000.....	29,438	1,085,948	217,187	23,808	2,196,412	549,094
\$200,000 under \$500,000.....	12,181	480,923	96,184	11,883	3,657,473	914,364
\$500,000 under \$1,000,000.....	2,396	95,259	19,052	2,395	2,166,669	541,666
\$1,000,000 or more.....	1,112	44,160	8,832	1,112	5,241,951	1,310,487

Footnote(s) at end of table.

Table 3.8 — Returns With Either Alternative Tax Preferences or Alternative Minimum Tax: Selected Sources of Income and Computation of Alternative Minimum Tax, by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Computation of alternative minimum tax — Continued					
	Reduction due to —					
	All taxes		Income tax after credits		Minimum tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(61)	(62)	(63)	(64)	(65)	(66)	
Total	261,838	4,146,225	242,720	4,068,763	7,448	41,988
No adjusted gross income.....	1,533	4,774	*11	*37	662	3,302
\$1 under \$10,000.....	532	945	*89	*1	135	672
\$10,000 under \$15,000.....	8,247	4,425	7,567	3,865	*81	*347
\$15,000 under \$20,000.....	12,345	9,291	11,117	7,097	*47	*219
\$20,000 under \$30,000.....	45,776	57,250	41,556	53,486	312	1,308
\$30,000 under \$50,000.....	80,801	208,083	73,102	196,594	927	1,349
\$50,000 under \$100,000.....	67,588	524,225	65,212	509,892	2,206	7,489
\$100,000 under \$200,000.....	29,555	697,280	28,898	680,991	1,822	9,985
\$200,000 under \$500,000.....	11,985	897,040	11,738	885,767	1,000	8,775
\$500,000 under \$1,000,000.....	2,368	505,083	2,335	499,288	184	4,207
\$1,000,000 or more.....	1,108	1,237,830	1,095	1,231,744	72	4,315

Size of adjusted gross income	Computation of alternative minimum tax—Continued							
	Alternative minimum tax before credit		Excess foreign tax credit		Alternative minimum tax after credit			
	Number of returns	Amount	Number of returns	Amount	Reported on Form 6251		Reported on Form 1040	
					Number of returns	Amount	Number of returns	Amount
(67)	(68)	(69)	(70)	(71)	(72)	(73)	(74)	
Total	154,418	897,417	3,309	23,201	153,415	874,217	153,265	865,940
No adjusted gross income.....	5,445	55,199	44	245	5,424	54,954	5,320	50,112
\$1 under \$10,000.....	4,771	10,379	*15	*53	4,771	10,326	4,770	10,200
\$10,000 under \$15,000.....	7,854	7,541	**	**	7,854	7,541	7,852	7,567
\$15,000 under \$20,000.....	7,626	8,841	—	—	7,626	8,841	7,615	8,688
\$20,000 under \$30,000.....	25,083	36,203	—	—	25,083	36,203	25,417	36,224
\$30,000 under \$50,000.....	48,927	99,561	*265	*423	48,927	99,138	48,600	97,611
\$50,000 under \$100,000.....	32,891	176,544	1,223	4,880	32,452	171,663	32,449	171,946
\$100,000 under \$200,000.....	14,363	189,913	1,043	6,021	13,974	183,892	13,971	183,471
\$200,000 under \$500,000.....	5,753	162,167	445	4,574	5,641	157,593	5,610	157,053
\$500,000 under \$1,000,000.....	1,153	65,165	160	4,042	1,127	61,123	1,124	60,211
\$1,000,000 or more.....	552	85,905	114	2,963	536	82,942	537	82,857

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

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

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

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Table 3.10 — Returns With Tax Due at Time of Filing: Tax Due by Size

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

Size of tax due	Number of returns	Adjusted gross income less deficit	Total income tax		Additional tax for tax preferences		Total tax liability	Tax due at time of filing	Tax paid with return	
			Number of returns	Amount	Number of returns	Amount			Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Total	18,844,060	477,272,225	17,865,069	92,940,790	137,238	825,917	97,182,992	27,427,573	16,489,664	23,852,389
\$1 under \$25.....	963,179	13,673,739	921,117	1,686,535	821	922	1,722,264	11,219	821,260	9,337
\$25 under \$50.....	988,809	13,092,456	910,241	1,549,768	*466	*272	1,589,713	36,443	865,535	31,446
\$50 under \$75.....	894,352	13,209,367	818,873	1,687,625	141	841	1,723,649	55,855	782,525	48,360
\$75 under \$100.....	768,725	11,653,949	690,440	1,543,730	*261	*836	1,584,229	66,663	677,612	57,798
\$100 under \$125.....	745,666	10,814,135	684,063	1,378,443	*776	*432	1,415,519	83,655	648,269	71,756
\$125 under \$150.....	678,592	10,690,870	620,605	1,400,650	*99	*943	1,439,383	92,508	596,396	79,807
\$150 under \$175.....	612,165	9,928,362	564,161	1,331,349	1,468	1,234	1,362,459	99,463	524,707	83,282
\$175 under \$200.....	553,377	9,286,363	510,197	1,254,387	*668	*637	1,296,355	103,346	455,834	83,101
\$200 under \$250.....	1,039,448	17,880,429	960,387	2,428,521	2,706	755	2,508,731	232,642	894,113	195,043
\$250 under \$300.....	935,265	16,942,016	875,354	2,367,186	906	1,122	2,444,178	255,914	792,399	211,587
\$300 under \$350.....	784,279	15,092,417	726,732	2,172,562	1,015	3,227	2,257,976	253,583	671,349	212,135
\$350 under \$400.....	660,490	13,184,267	625,061	1,949,281	717	1,421	2,012,651	246,329	578,672	208,527
\$400 under \$450.....	616,204	12,650,417	590,681	1,861,607	1,421	1,247	1,932,047	262,093	542,022	223,329
\$450 under \$500.....	541,123	11,773,628	514,811	1,792,046	2,905	1,949	1,866,572	256,003	473,990	217,135
\$500 under \$600.....	906,430	19,815,232	873,885	3,079,617	1,136	1,865	3,208,731	326,526	786,105	415,660
\$600 under \$700.....	725,872	17,165,671	696,992	2,748,238	2,100	3,278	2,873,140	469,993	648,743	404,329
\$700 under \$800.....	613,894	14,873,302	592,362	2,422,435	3,221	3,796	2,545,434	459,341	545,311	391,969
\$800 under \$900.....	487,731	12,111,184	467,267	2,050,344	3,158	3,494	2,172,139	414,322	423,895	345,763
\$900 under \$1,000.....	441,626	11,685,705	427,894	1,999,376	2,929	6,238	2,106,728	419,160	389,074	355,323
\$1,000 under \$1,500.....	1,504,779	42,018,702	1,452,809	7,414,937	9,029	13,203	7,910,028	1,843,771	1,324,083	1,547,192
\$1,500 under \$2,000.....	822,765	25,609,646	794,548	4,748,666	9,154	14,734	5,136,888	1,428,009	730,348	1,220,982
\$2,000 or more.....	2,559,289	154,120,368	2,546,589	44,073,487	92,141	763,534	46,074,547	19,840,735	2,317,422	17,438,528

Size of tax due	Balance due after remittance		Income tax withheld		Estimated tax payments		All other taxpayments ¹		Total refundable credits ²	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Total	7,833,066	3,575,184	12,664,871	49,002,918	4,420,699	19,318,011	1,157,579	1,434,144	346	357
\$1 under \$25.....	412,014	1,883	662,085	1,452,371	181,128	219,429	22,149	39,245	—	—
\$25 under \$50.....	410,031	4,996	622,254	1,324,638	191,001	218,319	18,021	10,313	—	—
\$50 under \$75.....	366,888	7,495	580,250	1,437,991	172,075	220,663	27,998	9,140	—	—
\$75 under \$100.....	318,920	8,865	518,267	1,292,352	138,008	210,024	18,168	15,190	—	—
\$100 under \$125.....	303,947	11,899	465,393	1,167,935	113,382	157,508	23,273	6,422	—	—
\$125 under \$150.....	299,159	12,701	469,180	1,200,132	111,802	132,035	28,998	14,709	—	—
\$150 under \$175.....	278,315	16,181	414,511	1,102,360	103,727	152,551	19,041	8,083	*55	*2
\$175 under \$200.....	259,149	20,244	396,410	1,048,613	87,169	136,830	16,694	7,566	—	—
\$200 under \$250.....	443,362	37,599	721,805	1,957,707	193,832	298,422	33,818	19,959	—	—
\$250 under \$300.....	412,834	44,328	635,282	1,843,620	186,577	329,642	33,877	15,001	—	—
\$300 under \$350.....	355,860	41,448	550,492	1,688,340	153,127	291,847	35,167	24,206	—	—
\$350 under \$400.....	277,224	37,803	470,600	1,506,156	132,879	244,649	29,318	15,517	—	—
\$400 under \$450.....	287,263	38,764	461,936	1,435,519	124,564	216,253	28,860	18,182	—	—
\$450 under \$500.....	242,116	38,868	385,937	1,335,140	119,497	256,825	26,929	18,605	—	—
\$500 under \$600.....	381,723	80,866	647,481	2,275,716	197,814	407,500	37,646	28,585	*9	*36
\$600 under \$700.....	307,640	65,663	526,207	1,985,427	151,983	385,002	43,772	32,718	—	—
\$700 under \$800.....	269,922	67,372	450,056	1,677,956	151,789	387,727	32,928	20,410	—	—
\$800 under \$900.....	201,122	68,559	347,820	1,399,715	123,014	335,327	36,988	22,774	*45	*1
\$900 under \$1,000.....	176,404	63,837	313,292	1,335,580	108,657	327,643	26,955	24,346	—	—
\$1,000 under \$1,500.....	617,233	296,580	1,023,495	4,640,230	383,729	1,342,349	139,859	83,664	*11	*13
\$1,500 under \$2,000.....	327,882	207,027	514,549	2,637,706	241,558	1,008,996	82,952	62,176	—	—
\$2,000 or more.....	884,058	2,402,206	1,487,569	13,257,715	1,053,387	12,038,470	394,168	937,335	226	304

¹Estimate should be used with caution because of the small number of sample returns on which it is based.

²Consists of payment with request for extension of filing time, plus excess social security taxes withheld, credit for tax on gasoline, credit from regulated investment companies, and other taxpayments.

³Consists of the refundable portions of the earned income credit and the business energy investment credit.

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

Table 3.11 — Returns With Tax Overpayment: Selected Items By Size of Tax Overpayment or Refund

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

Size of tax overpayment or refund	Number of returns	Adjusted gross income less deficit	Total tax liability		Total	Overpayment				
			Number of returns	Amount		Total	Refunded		Credited to 1980 estimated tax	
							Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
Size of tax overpayment										
Total.....	71,433,691	981,986,826	54,243,790	122,707,066	45,821,372	69,597,035	43,038,511	2,381,122	2,782,861	
\$1 under \$25.....	2,347,152	16,705,236	905,223	2,108,714	28,806	2,236,020	27,517	112,524	1,289	
\$25 under \$50.....	2,379,313	17,087,248	994,821	2,073,026	87,419	2,270,157	83,526	110,540	3,893	
\$50 under \$75.....	2,253,249	17,467,381	1,026,508	2,020,691	139,339	2,167,023	133,790	88,738	5,548	
\$75 under \$100.....	2,164,565	17,242,020	1,003,797	1,992,562	187,652	2,089,679	180,735	82,259	6,917	
\$100 under \$125.....	2,135,857	18,920,614	1,141,638	2,188,406	239,147	2,065,535	230,693	76,281	8,453	
\$125 under \$150.....	2,171,021	20,117,919	1,291,473	2,264,146	298,385	2,103,477	288,822	70,882	9,563	
\$150 under \$175.....	2,678,289	24,218,925	1,828,674	2,641,182	434,819	2,617,338	424,470	67,009	10,348	
\$175 under \$200.....	2,515,796	24,053,652	1,746,896	2,682,091	469,437	2,463,876	459,028	58,584	10,409	
\$200 under \$250.....	4,600,920	46,193,721	3,294,266	5,162,705	1,030,512	4,507,422	1,008,225	101,730	22,287	
\$250 under \$300.....	4,243,097	44,086,876	3,147,721	4,994,020	1,167,326	4,159,823	1,142,858	95,263	24,469	
\$300 under \$350.....	4,554,141	47,232,059	3,781,856	5,235,522	1,481,135	4,481,884	1,455,394	89,963	25,741	
\$350 under \$400.....	4,193,305	44,925,788	3,607,378	4,943,449	1,567,303	4,115,048	1,535,055	92,728	32,248	
\$400 under \$450.....	3,540,303	42,556,900	3,061,055	4,841,723	1,495,787	3,483,628	1,468,237	71,490	27,550	
\$450 under \$500.....	3,011,913	39,021,480	2,605,865	4,520,822	1,427,249	2,962,283	1,398,881	67,414	28,368	
\$500 under \$600.....	4,866,102	69,687,525	4,212,646	8,278,189	2,662,669	4,785,819	2,611,712	103,115	50,957	
\$600 under \$700.....	3,891,439	59,334,088	3,256,923	7,016,212	2,520,237	3,820,906	2,466,849	94,187	53,388	
\$700 under \$800.....	3,154,936	49,910,996	2,567,077	5,912,009	2,361,286	3,097,767	2,310,622	78,083	50,664	
\$800 under \$900.....	2,587,074	43,231,786	2,105,102	5,094,053	2,194,198	2,536,430	2,141,623	72,202	52,575	
\$900 under \$1,000.....	2,221,035	37,416,088	1,779,874	4,289,690	2,106,120	2,178,776	2,057,662	59,423	48,458	
\$1,000 under \$1,500.....	6,193,888	126,209,304	5,448,807	15,782,590	7,489,488	6,048,058	7,263,314	221,804	226,174	
\$1,500 under \$2,000.....	2,538,347	63,347,238	2,430,804	8,572,242	4,364,864	2,449,647	4,157,065	146,803	207,799	
\$2,000 of more.....	3,191,949	113,019,983	3,005,386	20,093,024	12,066,195	2,956,439	10,192,432	420,102	1,875,764	
Size of refund										
Total.....	69,597,035	932,287,939	52,480,154	111,848,972	43,718,756	69,597,035	43,038,511	544,466	680,245	
\$1 under \$25.....	2,265,344	15,560,600	828,249	1,906,927	53,483	2,265,344	27,820	30,716	25,663	
\$25 under \$50.....	2,296,621	16,300,990	914,887	1,985,771	108,760	2,296,621	84,493	27,848	24,267	
\$50 under \$75.....	2,178,399	16,472,202	950,727	1,895,806	149,105	2,178,399	134,621	13,888	14,484	
\$75 under \$100.....	2,096,759	16,325,549	936,526	1,873,551	190,782	2,096,759	181,710	14,453	9,072	
\$100 under \$125.....	2,073,378	17,990,045	1,081,279	2,076,535	239,313	2,073,378	232,170	13,802	7,143	
\$125 under \$150.....	2,116,209	19,338,103	1,237,223	2,162,816	302,484	2,116,209	290,862	16,070	11,622	
\$150 under \$175.....	2,622,732	23,356,527	1,776,648	2,521,734	434,643	2,622,732	425,818	11,452	8,825	
\$175 under \$200.....	2,470,345	23,363,957	1,703,586	2,579,303	467,811	2,470,345	460,874	13,133	6,937	
\$200 under \$250.....	4,525,860	44,900,390	3,218,357	4,972,949	1,025,811	4,525,860	1,013,453	26,670	12,358	
\$250 under \$300.....	4,176,645	42,979,946	3,086,296	4,826,076	1,165,786	4,176,645	1,148,967	28,811	16,819	
\$300 under \$350.....	4,481,876	45,918,285	3,714,480	5,029,272	1,470,147	4,481,876	1,457,692	17,698	12,455	
\$350 under \$400.....	4,119,552	43,666,995	3,533,035	4,745,934	1,556,027	4,119,552	1,539,602	18,973	16,426	
\$400 under \$450.....	3,485,291	41,414,713	3,004,894	4,647,976	1,486,858	3,485,291	1,472,522	16,478	14,337	
\$450 under \$500.....	2,959,599	38,080,880	2,559,169	4,359,548	1,417,154	2,959,599	1,402,453	15,100	14,701	
\$500 under \$600.....	4,789,701	68,182,665	4,141,597	8,017,702	2,647,100	4,789,701	2,620,777	26,714	26,323	
\$600 under \$700.....	3,820,328	57,603,460	3,188,835	6,704,958	2,492,991	3,820,328	2,474,212	23,076	18,780	
\$700 under \$800.....	3,090,852	48,436,227	2,512,362	5,643,433	2,324,269	3,090,852	2,312,943	13,999	11,326	
\$800 under \$900.....	2,532,879	41,907,494	2,051,513	4,838,288	2,164,577	2,532,879	2,148,036	18,007	16,542	
\$900 under \$1,000.....	2,177,885	36,403,640	1,738,348	4,102,787	2,085,049	2,177,885	2,065,326	16,273	19,723	
\$1,000 under \$1,500.....	6,027,304	121,464,545	5,288,694	14,829,717	7,343,849	6,027,304	7,282,411	55,220	61,438	
\$1,500 under \$2,000.....	2,414,375	59,394,999	2,313,712	7,781,296	4,182,255	2,414,375	4,148,785	22,831	33,470	
\$2,000 of more.....	2,875,101	93,225,731	2,699,737	14,346,595	10,410,500	2,875,101	10,112,966	103,254	297,534	

Footnote(s) at end of table.

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Table 3.11 — Returns With Tax Overpayment: Selected Items By Size of Tax Overpayment or Refund — Continued

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

Size of tax overpayment or refund	Income tax withheld		Estimated tax payments ¹		All other taxpayments ¹		Total refundable credits ²	
	Number of returns (10)	Amount (11)	Number of returns (12)	Amount (13)	Number of returns (14)	Amount (15)	Number of returns (16)	Amount (17)
Size of tax overpayment								
Total	68,672,696	150,495,976	3,644,313	14,342,740	1,776,714	2,295,622	5,120,664	1,397,992
\$1 under \$25	2,147,256	1,845,441	173,363	222,177	52,538	68,804	79,549	1,098
\$25 under \$50	2,142,251	1,911,704	185,831	220,109	52,869	25,597	89,747	3,054
\$50 under \$75	2,032,295	1,935,898	184,765	207,454	43,673	11,382	100,364	5,296
\$75 under \$100	1,987,350	1,966,305	143,319	186,410	29,048	19,162	105,873	8,336
\$100 under \$125	2,023,921	2,264,382	118,990	134,556	40,857	24,424	55,333	4,190
\$125 under \$150	2,051,718	2,374,721	122,576	158,161	36,519	21,731	79,962	7,944
\$150 under \$175	2,569,359	2,876,304	110,964	169,448	28,141	18,656	90,880	11,593
\$175 under \$200	2,439,236	3,005,541	85,979	120,242	29,130	14,086	89,133	11,659
\$200 under \$250	4,451,394	5,854,660	180,455	283,529	46,603	27,836	162,753	27,192
\$250 under \$300	4,110,712	5,862,374	150,121	234,110	41,762	25,540	209,215	39,788
\$300 under \$350	4,432,161	6,387,826	142,695	255,486	43,860	31,955	175,543	41,733
\$350 under \$400	4,077,565	6,187,921	135,578	250,526	33,641	20,676	205,177	52,102
\$400 under \$450	3,457,789	6,011,331	112,999	239,516	41,863	17,543	249,971	69,120
\$450 under \$500	2,920,898	5,610,020	108,237	230,909	44,453	20,911	268,970	86,231
\$500 under \$600	4,736,471	10,346,785	179,733	390,326	72,738	38,061	359,442	166,064
\$600 under \$700	3,619,025	8,943,848	145,251	382,152	67,569	39,907	553,121	170,817
\$700 under \$800	3,091,370	7,709,082	122,506	345,425	77,859	40,943	529,952	178,117
\$800 under \$900	2,535,713	6,804,036	101,156	314,041	54,697	26,504	441,317	145,003
\$900 under \$1,000	2,184,769	5,983,454	80,714	242,460	61,267	34,838	406,776	135,363
\$1,000 under \$1,500	6,047,289	21,693,931	321,781	1,213,684	250,852	150,265	647,922	214,198
\$1,500 under \$2,000	2,449,984	11,883,768	195,878	929,080	180,881	113,836	35,723	10,423
\$2,000 of more	2,964,180	23,036,643	541,428	7,612,940	445,894	1,502,966	23,941	8,671
Size of refund								
Total	67,925,395	147,254,889	1,955,847	5,617,343	1,629,827	1,302,607	5,107,511	1,396,762
\$1 under \$25	2,117,354	1,747,160	105,969	183,985	45,463	28,114	80,748	1,150
\$25 under \$50	2,124,766	1,891,671	105,908	165,030	55,297	34,535	90,876	3,095
\$50 under \$75	2,013,809	1,896,755	114,895	129,707	42,397	13,191	99,606	5,258
\$75 under \$100	1,970,427	1,928,702	81,118	107,836	27,726	19,435	105,667	8,360
\$100 under \$125	2,001,837	2,229,620	61,910	61,968	37,109	20,003	55,159	4,257
\$125 under \$150	2,037,071	2,351,432	71,000	87,143	35,243	18,807	80,014	7,946
\$150 under \$175	2,549,433	2,842,017	59,764	88,395	24,530	14,350	91,171	11,615
\$175 under \$200	2,422,655	2,958,256	45,346	59,342	25,057	17,889	88,678	11,627
\$200 under \$250	4,424,614	5,801,130	109,413	144,909	45,092	25,625	162,932	27,096
\$250 under \$300	4,088,412	5,810,516	87,845	118,828	36,485	23,420	206,466	39,563
\$300 under \$350	4,404,566	6,319,425	75,789	115,654	38,202	22,499	177,034	42,183
\$350 under \$400	4,049,816	6,126,321	61,292	105,645	33,047	18,231	206,980	52,236
\$400 under \$450	3,430,266	5,936,642	64,362	109,057	39,994	19,870	250,027	69,265
\$450 under \$500	2,899,549	5,552,313	58,556	108,134	40,704	30,179	266,966	86,077
\$500 under \$600	4,704,506	10,279,664	107,723	186,239	71,766	32,754	520,185	166,525
\$600 under \$700	3,786,456	8,829,903	80,210	167,922	64,424	29,546	551,584	170,854
\$700 under \$800	3,065,591	7,625,784	62,503	132,617	70,097	32,305	526,286	177,269
\$800 under \$900	2,516,123	6,740,606	52,825	96,484	48,801	22,639	439,179	144,469
\$900 under \$1,000	2,165,818	5,914,543	40,853	109,735	58,538	28,500	408,270	135,362
\$1,000 under \$1,500	5,969,565	21,365,201	169,764	481,845	232,510	112,643	644,526	213,877
\$1,500 under \$2,000	2,383,859	11,578,807	89,042	292,929	169,626	81,531	35,389	10,285
\$2,000 of more	2,798,902	21,528,223	249,760	2,563,938	387,719	656,542	21,768	8,392

¹Consists of payment with request for extension of filing time, plus excess social security taxes withheld, credit for tax on gasoline, credit from regulated investment companies, and other taxpayments.
²Consists of the refundable portions of the earned income credit and the business energy investment credit.

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

Table 3.12 — Returns With Maximum Tax on Personal Service Income: Adjusted Gross Income, Personal Service Net Income, Taxable Income, and Income Tax Before Credits, by Size of Taxable Income

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

Tax computation items	Total ¹		Size of taxable income			
	Number of returns	Amount	\$41,500 under \$44,700		\$44,700 under \$60,000	
			Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income.....	378,863	56,851,682	1,285	69,996	12,964	794,269
Personal service income.....	378,863	52,764,128	1,285	75,953	12,964	874,871
Deductions against personal service income.....	170,365	2,054,930	*144	*577		29,528
Personal service net income.....	378,863	50,709,198	1,285	75,376	12,964	807,343
Taxable income.....	378,863	48,007,716	1,285	55,686	12,964	676,904
Tax preference offset.....	83,032	596,089	*266	*153	1,070	1,578
Personal service taxable income:						
Total.....	378,863	40,331,187	1,285	55,443	12,964	645,772
Zero bracket amount.....	378,863	1,240,113	1,285	2,956	12,964	29,798
Subject to regular rates.....	378,863	20,719,539	1,285	50,372	12,964	516,352
Subject to maximum rate on personal service income.....	378,863	18,371,536	1,285	2,116	12,964	99,622
Other taxable income.....	321,404	7,676,529	*418	*243	8,642	31,132
Tax generated:						
At all rates.....	378,863	21,385,185	1,285	18,400	12,964	242,317
At regular rates:						
Total.....	378,863	12,199,546	1,285	17,342	12,964	192,510
On personal service taxable income.....	378,863	7,188,033	1,285	17,209	12,964	175,062
On other taxable income.....	323,481	5,011,513	*418	*133	8,936	17,448
At maximum rate on personal service income.....	378,863	9,185,673	1,285	1,057	12,964	49,808

Tax computation items	Size of taxable income—Continued					
	\$80,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
Adjusted gross income.....	189,865	18,368,221	136,510	21,340,104	38,239	16,279,093
Personal service income.....	189,865	18,621,672	136,510	20,176,229	38,239	13,015,403
Deductions against personal service income.....	87,581	798,962	61,803	845,711	14,453	342,152
Personal service net income.....	189,865	17,822,710	136,510	19,330,518	38,239	12,673,252
Taxable income.....	189,865	15,149,085	136,510	18,135,986	38,239	13,990,055
Tax preference offset.....	31,730	100,641	34,377	221,223	15,589	272,494
Personal service taxable income:						
Total.....	189,865	14,111,402	136,510	15,750,041	38,239	9,768,528
Zero bracket amount.....	189,865	626,016	136,510	454,335	38,239	127,008
Subject to regular rates.....	189,865	10,453,372	136,510	7,580,413	38,239	2,119,030
Subject to maximum rate on personal service income.....	189,865	3,032,015	136,510	7,715,293	38,239	7,522,490
Other taxable income.....	156,049	1,037,682	120,556	2,385,945	35,739	4,221,527
Tax generated:						
At all rates.....	189,865	5,725,275	136,510	7,985,048	38,239	7,414,146
At regular rates:						
Total.....	189,865	4,209,325	136,510	4,127,456	38,239	3,652,912
On personal service taxable income.....	189,865	3,627,803	136,510	2,632,186	38,239	735,773
On other taxable income.....	157,213	581,522	121,114	1,495,270	35,800	2,917,139
At maximum rate on personal service income.....	189,865	1,515,960	136,510	3,857,612	38,239	3,761,236

¹Estimate should be used with caution because of the small number of sample returns on which it is based.

²Includes prior year returns with both maximum and alternative tax computations.

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

Table 3.13 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at which Tax was Computed

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

Tax rate classes	All returns											
	Classified by the highest marginal rate at which tax was computed								Classified by each rate at which tax was computed			
	Number of returns	Adjusted gross income	Income subject to tax		Tax generated		Income tax after credits		Number of returns	Income taxed at rate	Income tax generated at rate	
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of—				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
								Adjusted gross income	Income subject to tax			
All marginal rates	86,932,978	1,465,700,971	1,150,493,447	155,135,787	219,838,616	41,014,900	213,300,910	14.6	18.5	86,932,978	1,150,493,093	219,919,171
0 percent	12,705,123	42,070,832	16,685,815	16,685,815	—	—	5,371	(¹)	(¹)	86,932,978	230,610,133	—
14 percent	7,452,568	44,350,300	25,831,518	5,897,314	824,761	825,624	526,058	1.2	2.0	74,227,855	121,262,666	16,976,773
16 percent	6,448,222	51,389,627	33,780,272	5,275,573	2,351,140	844,082	1,969,577	3.8	5.8	66,775,287	107,728,879	17,236,621
18 percent	12,518,948	132,793,424	96,493,653	19,966,635	9,762,478	3,593,994	9,305,671	7.0	9.6	60,327,065	183,925,867	33,106,556
19 percent	3,898,665	34,090,511	29,188,741	3,859,336	3,429,700	733,274	3,392,107	10.0	11.6	15,775,060	27,612,126	5,246,304
21 percent	10,400,537	164,634,057	128,562,032	17,868,653	17,047,925	3,752,417	16,546,898	10.1	12.9	41,523,227	128,958,201	27,081,222
22 percent	958,394	12,811,352	9,695,180	1,358,894	1,281,858	298,957	1,239,851	9.7	12.8	2,386,225	5,785,170	1,272,737
24 percent	10,001,361	200,169,821	160,910,080	17,396,184	24,575,966	4,175,084	23,999,262	12.0	14.9	32,550,521	97,623,049	23,429,532
26 percent	2,138,849	34,937,387	30,638,174	2,315,523	5,152,457	602,036	5,101,719	14.6	16.7	8,813,349	12,621,367	3,281,555
28 percent	5,605,913	152,682,743	123,072,801	11,356,832	21,283,419	3,179,913	20,763,855	13.6	16.9	15,735,811	55,162,917	15,445,617
30 percent	1,817,550	33,404,978	29,897,081	2,636,672	5,527,442	791,002	5,489,863	16.4	18.4	4,229,596	10,355,219	3,106,566
31 percent	269,456	6,686,438	5,517,685	614,010	1,081,701	190,343	1,063,044	15.9	19.3	444,904	1,543,885	478,604
32 percent	4,391,896	142,152,984	116,571,395	10,299,788	22,755,003	3,295,932	22,245,882	15.6	19.1	10,129,898	40,168,929	12,854,057
34 percent	1,434,118	32,705,351	29,144,838	3,045,737	6,148,753	1,035,551	6,073,803	18.6	20.8	2,412,046	8,228,756	2,797,777
36 percent	94,663	2,927,875	2,441,284	216,705	546,654	78,014	538,427	18.4	22.1	175,448	644,865	232,151
37 percent	2,317,950	88,802,338	73,296,306	5,347,953	16,070,604	1,978,743	15,722,011	17.7	21.4	5,738,002	23,171,938	8,573,617
39 percent	504,621	14,801,476	13,003,996	1,145,810	3,156,054	446,866	3,117,258	21.1	24.0	977,928	3,654,337	1,425,191
42 percent	29,871	1,180,096	937,354	77,169	237,359	32,411	230,863	19.6	24.8	80,785	347,013	145,746
43 percent	1,835,355	85,956,889	70,884,390	7,517,763	17,925,266	3,232,638	17,439,402	20.3	24.6	3,420,052	24,082,368	10,355,418
44 percent	203,051	7,303,052	6,310,291	462,730	1,713,845	203,601	1,689,020	23.1	26.8	473,307	1,895,087	833,838
46 percent	26,944	1,261,113	1,023,671	104,959	293,138	48,281	280,711	22.3	27.4	50,914	359,041	165,159
49 percent	874,902	52,484,505	42,933,028	4,681,892	12,934,137	2,294,127	12,491,885	23.8	29.1	1,854,953	17,355,145	8,504,021
50 percent maximum rate	57,459	6,956,852	5,767,833	2,513,640	2,320,322	12,568	2,181,050	31.4	37.8	378,863	18,371,857	9,185,834
54 percent	441,182	37,249,396	30,347,392	3,042,582	10,833,327	1,642,994	10,402,103	27.9	34.3	634,254	7,628,783	4,119,543
55 percent	78,080	4,400,462	3,696,063	407,666	1,294,937	224,216	1,256,613	28.6	34.0	138,084	1,218,934	670,414
59 percent	147,846	16,898,235	13,918,984	970,644	5,645,072	572,680	5,412,792	32.0	38.9	261,019	3,442,440	2,031,039
63 percent	47,782	3,889,213	3,188,487	388,015	1,322,578	244,450	1,285,354	33.0	40.3	73,860	1,049,176	660,981
64 percent	116,121	18,058,905	14,945,105	1,301,122	6,693,880	832,718	6,447,885	35.7	43.1	164,596	3,778,707	2,418,372
68 percent	52,449	9,996,031	8,301,669	687,234	4,039,954	467,319	3,872,836	38.7	46.7	95,711	2,527,122	1,718,443
70 percent	63,122	28,654,745	23,508,330	7,692,937	13,588,866	5,385,056	13,209,740	46.1	56.2	63,122	9,379,116	6,565,381

Footnote(s) at end of table.

Table 3.13 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at which Tax was Computed — Continued

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

Tax rate classes	Joint returns and returns of surviving spouses											
	Classified by the highest marginal rate at which tax was computed								Classified by each rate at which tax was computed			
	Number of returns	Adjusted gross income	Income subject to tax		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of—				
								Adjusted gross income	Income subject to tax			
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	
All marginal rates	43,217,052	1,052,224,536	814,697,332	103,999,480	165,530,577	30,141,389	160,280,817	15.2	19.7	43,217,052	814,697,332	165,542,124
0 percent	3,031,911	18,351,495	5,868,523	5,868,523	—	—	3,467	(¹)	(¹)	43,217,052	142,389,008	—
14 percent	2,629,090	22,579,313	11,703,303	2,774,379	387,332	388,413	258,549	1.1	2.2	40,185,141	81,642,086	11,429,892
16 percent	2,675,213	28,713,986	17,527,500	2,826,949	1,234,205	452,312	1,097,990	3.8	6.3	37,556,051	76,076,709	12,172,273
18 percent	6,117,479	86,443,497	59,858,904	13,387,808	6,260,013	2,409,805	5,933,784	6.9	9.9	34,880,838	137,070,251	24,672,645
19 percent	—	—	—	—	—	—	—	—	—	—	—	—
21 percent	6,720,917	124,839,556	93,843,538	13,890,325	12,346,423	2,916,968	11,878,415	9.5	12.7	28,763,359	104,264,337	21,895,511
22 percent	—	—	—	—	—	—	—	—	—	—	—	—
24 percent	6,804,367	155,967,106	122,774,259	13,916,637	18,749,251	3,339,993	18,240,287	11.7	14.9	22,042,442	77,916,552	18,699,972
26 percent	—	—	—	—	—	—	—	—	—	—	—	—
28 percent	5,456,116	150,625,910	121,404,776	11,201,338	20,994,764	3,136,375	20,483,795	13.6	16.9	15,238,075	54,241,958	15,187,748
30 percent	—	—	—	—	—	—	—	—	—	—	—	—
31 percent	—	—	—	—	—	—	—	—	—	—	—	—
32 percent	4,248,587	139,841,040	114,623,252	10,113,253	22,376,236	3,236,241	21,876,300	15.6	19.1	9,781,959	39,440,125	12,620,840
34 percent	—	—	—	—	—	—	—	—	—	—	—	—
36 percent	—	—	—	—	—	—	—	—	—	—	—	—
37 percent	2,227,392	87,080,931	71,835,698	5,240,497	15,752,817	1,938,984	15,407,664	17.7	21.4	5,533,372	22,762,191	8,422,011
39 percent	—	—	—	—	—	—	—	—	—	—	—	—
42 percent	—	—	—	—	—	—	—	—	—	—	—	—
43 percent	1,765,280	84,355,795	69,514,073	7,380,437	17,583,765	3,173,588	17,107,654	20.3	24.6	3,305,980	23,711,857	10,196,098
44 percent	—	—	—	—	—	—	—	—	—	—	—	—
46 percent	—	—	—	—	—	—	—	—	—	—	—	—
49 percent	742,636	47,038,576	38,288,059	4,276,589	11,543,030	2,095,529	11,142,351	23.7	29.1	1,540,700	15,609,098	7,648,458
50 percent maximum rate	46,402	5,929,085	4,910,020	2,125,998	1,976,328	10,630	1,856,096	31.3	37.8	335,499	16,558,340	8,279,087
54 percent	418,271	36,127,481	29,398,110	2,924,389	10,519,001	1,579,170	10,098,319	28.0	34.4	597,598	7,319,471	3,952,514
55 percent	—	—	—	—	—	—	—	—	—	—	—	—
59 percent	139,783	16,280,425	13,410,534	909,682	5,442,450	536,712	5,216,639	32.0	38.9	245,952	3,271,780	1,930,350
63 percent	—	—	—	—	—	—	—	—	—	—	—	—
64 percent	114,191	17,910,487	14,817,019	1,278,607	6,642,096	818,309	6,398,252	35.7	43.2	161,287	3,719,648	2,380,575
68 percent	36,330	8,089,860	6,731,185	524,390	3,294,109	356,585	3,158,306	39.0	46.9	64,191	1,929,793	1,312,259
70 percent	43,087	22,049,993	18,188,577	5,359,679	10,428,757	3,751,775	10,122,949	45.9	55.7	43,087	6,774,128	4,741,890

Footnote(s) at end of table.

Table 3.13 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at which Tax was Computed — Continued

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

Tax rate classes	Separate returns of husbands and wives											
	Classified by the highest marginal rate at which tax was computed								Classified by each rate at which tax was computed			
	Number of returns	Adjusted gross income	Income subject to tax		Tax generated		Income tax after credits		Number of returns	Income taxed at rate	Income tax generated at rate	
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of—				
								Adjusted gross income	Income subject to tax			
(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	
All marginal rates	1,585,605	16,901,086	13,238,405	1,927,246	2,566,108	600,221	2,496,048	14.8	18.9	1,585,605	13,238,405	2,632,868
0 percent	212,992	575,023	187,604	187,604	—	—	—	—	—	1,585,605	2,512,963	—
14 percent	132,294	557,081	287,224	64,296	8,671	9,001	8,404	1.5	2.9	1,372,613	1,366,631	191,328
16 percent	109,920	550,197	358,800	57,037	24,646	9,126	23,123	4.2	6.4	1,240,319	1,243,956	199,033
18 percent	246,926	1,690,091	1,211,634	274,184	126,989	49,353	124,141	7.3	10.2	1,130,399	2,173,651	391,257
19 percent	—	—	—	—	—	—	—	—	—	—	—	—
21 percent	207,336	1,811,528	1,408,938	176,218	182,527	37,006	180,218	9.9	12.8	883,473	1,562,299	328,083
22 percent	—	—	—	—	—	—	—	—	—	—	—	—
24 percent	178,401	1,970,425	1,605,225	178,916	244,933	42,940	240,420	12.2	15.0	676,137	1,224,162	293,799
26 percent	—	—	—	—	—	—	—	—	—	—	—	—
28 percent	149,797	2,056,834	1,668,025	155,494	288,655	43,538	280,060	13.6	16.8	497,736	920,960	257,869
30 percent	—	—	—	—	—	—	—	—	—	—	—	—
31 percent	—	—	—	—	—	—	—	—	—	—	—	—
32 percent	143,309	2,311,924	1,948,143	186,534	378,767	59,691	369,582	16.0	19.0	347,939	728,804	233,217
34 percent	—	—	—	—	—	—	—	—	—	—	—	—
36 percent	—	—	—	—	—	—	—	—	—	—	—	—
37 percent	90,558	1,721,407	1,460,607	107,457	317,787	39,759	314,346	18.3	21.5	204,630	409,747	151,607
39 percent	—	—	—	—	—	—	—	—	—	—	—	—
42 percent	—	—	—	—	—	—	—	—	—	—	—	—
43 percent	70,075	1,601,094	1,370,317	137,327	341,501	59,051	331,748	20.7	24.2	114,072	370,511	159,320
44 percent	—	—	—	—	—	—	—	—	—	—	—	—
46 percent	—	—	—	—	—	—	—	—	—	—	—	—
49 percent	24,133	745,333	633,763	81,368	176,314	39,870	168,986	22.7	26.7	43,997	222,402	108,977
50 percent maximum rate	—	—	—	—	—	—	—	—	—	—	—	—
54 percent	13,766	537,161	478,543	65,620	153,186	35,435	151,242	28.2	31.6	19,864	143,674	77,584
55 percent	—	—	—	—	—	—	—	—	—	—	—	—
59 percent	2,789	161,567	135,131	15,803	53,301	9,324	49,636	30.7	36.7	6,098	55,181	32,557
63 percent	—	—	—	—	—	—	—	—	—	—	—	—
64 percent	1,930	148,418	128,086	22,515	51,784	14,410	49,632	33.4	38.7	3,309	59,059	37,788
68 percent	340	37,102	32,264	4,664	15,101	3,172	11,469	30.9	35.5	1,379	32,198	21,894
70 percent	1,039	425,901	324,103	212,209	201,947	148,546	193,041	45.3	59.6	1,039	212,209	148,546

Footnote(s) at end of table.

Table 3.13 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at which Tax was Computed — Continued

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

Tax rate classes	Returns of heads of households											
	Classified by the highest marginal rate at which tax was computed								Classified by each rate at which tax was computed			
	Number of returns	Adjusted gross income	Income subject to tax		Tax generated		Income tax after credits		Number of returns	Income taxed at rate	Income tax generated at rate	
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of—				
								Adjusted gross income				Income subject to tax
(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	
All marginal rates	6,569,612	75,716,404	54,274,866	8,867,445	8,196,032	1,775,427	7,545,708	10.0	13.9	6,569,612	54,274,866	8,198,387
0 percent	962,801	4,025,664	1,172,851	1,172,851	—	—	—	—	—	6,569,612	14,058,169	—
14 percent	1,188,310	7,376,841	4,008,390	1,278,058	178,533	178,928	19,439	.3	.5	5,606,811	10,556,910	1,477,967
16 percent	1,054,138	8,775,029	5,745,684	1,108,887	486,618	177,422	261,496	3.0	4.6	4,418,501	8,174,049	1,307,848
18 percent	978,138	10,318,336	7,407,701	1,052,662	805,357	189,479	721,744	7.0	9.7	3,364,363	6,302,357	1,134,424
19 percent	—	—	—	—	—	—	—	—	—	—	—	—
21 percent	—	—	—	—	—	—	—	—	—	—	—	—
22 percent	958,394	12,811,352	9,695,180	1,358,894	1,281,858	298,957	1,239,851	9.7	12.8	2,386,225	5,785,170	1,272,737
24 percent	633,584	10,621,251	8,396,504	920,852	1,302,544	221,004	1,271,239	12.0	15.1	1,427,831	3,462,442	830,986
26 percent	349,343	7,039,011	5,733,636	493,745	993,359	128,374	971,362	13.8	16.9	794,247	1,917,438	498,534
28 percent	—	—	—	—	—	—	—	—	—	—	—	—
30 percent	—	—	—	—	—	—	—	—	—	—	—	—
31 percent	269,456	6,686,438	5,517,685	614,010	1,081,701	190,343	1,063,044	15.9	19.3	444,904	1,543,885	478,604
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
34 percent	—	—	—	—	—	—	—	—	—	—	—	—
36 percent	94,663	2,927,875	2,441,284	216,705	546,654	78,014	538,427	18.4	22.1	175,448	644,865	232,151
37 percent	—	—	—	—	—	—	—	—	—	—	—	—
39 percent	—	—	—	—	—	—	—	—	—	—	—	—
42 percent	29,871	1,180,096	937,354	77,169	237,359	32,411	230,863	19.6	24.6	80,785	347,013	145,746
43 percent	—	—	—	—	—	—	—	—	—	—	—	—
44 percent	—	—	—	—	—	—	—	—	—	—	—	—
46 percent	26,944	1,261,113	1,023,671	104,959	293,138	48,281	280,711	22.3	27.4	50,914	359,041	165,159
49 percent	—	—	—	—	—	—	—	—	—	—	—	—
50 percent maximum rate	3,541	334,802	274,345	116,064	107,483	580	102,264	30.5	37.3	9,408	429,560	214,778
54 percent	9,125	584,753	470,740	52,573	161,139	28,390	152,542	26.1	32.4	16,792	165,638	89,444
55 percent	—	—	—	—	—	—	—	—	—	—	—	—
59 percent	5,274	456,242	373,319	45,159	149,321	26,644	146,517	32.1	39.2	8,969	115,479	68,133
63 percent	2,454	280,732	228,968	18,719	99,995	11,793	98,308	35.0	42.9	4,805	76,828	48,402
64 percent	—	—	—	—	—	—	—	—	—	—	—	—
68 percent	1,796	277,882	230,231	24,423	110,956	16,608	102,608	36.9	44.6	3,021	87,070	59,208
70 percent	1,780	758,985	617,323	211,713	360,019	148,199	345,292	45.5	55.9	1,780	248,951	174,266

Footnote(s) at end of table.

Table 3.13 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at which Tax was Computed — Continued

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

Tax rate classes	Returns of single persons											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Income subject to tax		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of—				
							Adjusted gross income	Income subject to tax				
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
All marginal rates	35,560,709	320,858,944	268,282,844	40,341,617	43,545,899	8,497,863	42,978,337	13.4	16.0	35,560,709	268,282,489	43,545,791
0 percent	8,497,419	19,118,649	9,456,836	9,456,836	1,780,581	—	1,904	(¹)	(¹)	35,560,709	71,649,994	—
14 percent	3,502,874	13,837,066	9,832,600	1,780,581	250,225	249,281	239,666	1.7	2.4	27,063,290	27,697,039	3,877,585
16 percent	2,608,951	13,350,415	10,148,269	1,292,699	605,672	205,232	586,969	4.4	5.8	23,560,416	22,234,164	3,557,466
18 percent	5,176,405	34,341,500	28,015,414	5,251,982	2,570,120	945,357	2,526,002	7.4	9.0	20,951,465	38,379,608	6,908,329
19 percent	3,898,665	34,090,511	29,188,741	3,859,336	3,429,700	733,274	3,392,107	10.0	11.6	15,775,060	27,812,126	5,246,304
21 percent	3,472,284	37,982,973	33,309,557	3,802,110	4,518,975	798,443	4,488,266	11.8	13.5	11,876,395	23,131,565	4,857,629
22 percent	—	—	—	—	—	—	—	—	—	—	—	—
24 percent	2,385,009	31,611,039	28,134,092	2,379,779	4,279,239	571,147	4,247,317	13.4	15.1	8,404,111	15,019,893	3,604,774
26 percent	1,789,506	27,898,376	24,904,538	1,821,778	4,159,098	473,662	4,130,357	14.8	16.6	6,019,102	10,703,930	2,783,022
28 percent	—	—	—	—	—	—	—	—	—	—	—	—
30 percent	1,817,550	33,404,978	29,897,081	2,636,672	5,527,442	791,002	5,489,863	16.4	18.4	4,229,596	10,355,219	3,106,566
31 percent	—	—	—	—	—	—	—	—	—	—	—	—
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
34 percent	1,434,118	32,705,351	29,144,838	3,045,737	6,148,753	1,035,551	6,073,803	18.6	20.8	2,412,046	8,228,756	2,797,777
36 percent	—	—	—	—	—	—	—	—	—	—	—	—
37 percent	—	—	—	—	—	—	—	—	—	—	—	—
39 percent	504,621	14,801,476	13,003,996	1,145,810	3,156,054	448,866	3,117,258	21.1	24.0	977,928	3,654,337	1,425,191
42 percent	—	—	—	—	—	—	—	—	—	—	—	—
43 percent	—	—	—	—	—	—	—	—	—	—	—	—
44 percent	203,051	7,303,052	6,310,291	462,730	1,713,845	203,601	1,689,020	23.1	26.8	473,307	1,895,087	833,838
46 percent	—	—	—	—	—	—	—	—	—	—	—	—
49 percent	108,133	4,700,596	4,011,206	323,934	1,214,794	158,728	1,180,548	25.1	29.4	270,256	1,523,645	746,586
50 percent maximum rate	7,516	692,965	583,468	271,577	236,512	1,358	222,689	32.1	38.2	33,956	1,383,957	691,969
54 percent	—	—	—	—	—	—	—	—	—	—	—	—
55 percent	78,080	4,400,462	3,696,063	407,666	1,294,937	224,216	1,256,613	28.6	34.0	138,084	1,218,934	670,414
59 percent	—	—	—	—	—	—	—	—	—	—	—	—
63 percent	45,328	3,608,481	2,959,520	369,296	1,222,583	232,657	1,187,045	32.9	40.1	69,055	972,348	612,579
64 percent	—	—	—	—	—	—	—	—	—	—	—	—
68 percent	13,983	1,591,186	1,307,989	133,756	619,787	90,954	600,453	37.7	45.9	27,120	478,061	325,081
70 percent	17,216	5,419,867	4,378,326	1,909,336	2,598,163	1,336,535	2,548,457	47.0	58.2	17,216	2,143,827	1,500,679

(¹) Percent not computed.
NOTE: Detail may not add to total because of rounding.

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Introduction

This section presents data for returns on which one additional exemption was claimed for each taxpayer age 65 or over. For 1979, the filing requirement for a single person age 65 or over was \$4,300 in gross income (compared to a \$3,300 requirement for those under 65), while for a person who qualified as a "surviving spouse" the amount was \$5,400 (\$4,400 for those under 65). For joint returns, if one spouse was 65 or over, the filing requirement was \$6,400 and it was \$7,400 if both spouses were 65 or over (compared to a \$5,400 requirement for joint returns with both spouses under 65). The reason for the higher filing requirements was that the extra age exemptions made taxpayers below these limits nontaxable in any case.

Returns with Age Exemptions

Persons age 65 or over benefitted from certain special tax provisions under the Internal Revenue Code. These included:

(1) an additional \$1,000 exemption for each taxpayer age 65 or over,

(2) the exemption from taxation of social security income, a major source of income for many older persons, and

(3) the "credit for the elderly."

Table 4A shows selected items reported on returns of taxpayers age 65 or over, classified by marital status and sex of taxpayer. For 1979, 8.7 million returns, accounting for \$130.8 billion of adjusted gross income and \$22.1 billion of total income tax, were filed by taxpayers age 65 or over. Joint returns (4.9 million) and returns of single persons (3.5 million) accounted for 97 percent of those filed for taxpayers age 65 or over.

For 1978 and earlier years, data on all returns with credit for the elderly were included in this section. For 1979 this information is not shown in Section 4; however, limited data are available in Section 3 of this report.

Figure 4A shows, for the years 1969 through 1979, the divergent trends for the number of returns with age exemptions compared to the number of returns with either a retirement income credit or a credit for the elderly. As a result of the Tax Reform Act of 1976, the credit for the elderly replaced the retirement income credit which was in effect for 1975 and earlier years. The effect of the 1976 law was to increase the number of returns with the credit at the lower income levels while decreasing the number at the higher income levels. However, the Tax Reduction and Simplification Act of 1977 allowed taxpayers to compute their 1976 credit under either the new or old law. During this time period (1969-1979) the number of returns with age exemptions increased from 7.2 million to 8.7 million. This development corresponded to the increase in the elderly population during this period. The decreases that occurred in age exemptions for 1970 and 1971 were associated with similar declines in the total number of returns filed. Both situations occurred because changes in the tax laws raised the filing requirements for both 1970 and 1971.

However, during this same time span, the number of returns with the retirement income credit or the credit for the elderly declined from 1.7 million to 0.6 million. This apparent contradiction is explained by the effect of the earned income limitation on the retirement income credit, and the adjusted gross income limitation on the credit for the elderly. These limitations remained constant during this period (1969-1979) and thereby reduced the number of taxpayers eligible for the credit as inflation raised more income levels above these limitations.

*Tom Gearin was responsible for the review and analysis of the data in this section. He was assisted by Clementine Brittain.

Table 4A.--Returns of Taxpayers Age 65 or Over: Selected Tax Items by Marital Status and Sex of Taxpayer

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

Marital status and sex of taxpayer	Number of returns	Adjusted gross income less deficit	Exemptions		Returns with zero bracket amount only	
			Number of exemptions	Amount	Number of returns	Zero bracket amount
	(1)	(2)	(3)	(4)	(5)	(6)
All returns, total.....	8,661,655	130,793,580	25,674,779	25,625,460	6,062,370	15,699,474
Joint returns of husbands and wives, total.....	4,933,570	88,903,440	18,022,749	18,000,223	3,336,302	9,979,756
Both age 65 or over.....	2,658,883	47,750,920	10,755,746	10,743,252	1,782,647	5,242,514
Husband age 65 or over; wife under 65.....	1,903,670	34,684,849	6,123,545	6,114,359	1,304,442	3,983,642
Wife age 65 or over; husband under 65.....	371,017	6,467,672	1,143,458	1,142,612	249,213	753,601
Separate returns of husbands and wives, total..	107,630	1,237,411	230,785	230,531	61,086	92,768
Filed by husbands.....	59,434	650,869	127,931	127,681	32,447	48,519
Filed by wives.....	48,196	586,541	102,852	102,850	28,639	44,249
Returns of heads of households, total.....	122,339	1,654,332	348,222	348,221	85,220	183,237
Filed by men.....	38,070	524,909	113,446	113,445	31,194	61,866
Filed by women.....	84,269	1,129,424	234,776	234,776	54,026	121,371
Returns of surviving spouses, total.....	2,160	56,551	6,549	6,549	*1,662	*5,170
Filed by men.....	*741	*35,658	*2,291	*2,291	*244	*348
Filed by women.....	*1,419	*20,893	*4,258	*4,258	*1,418	*4,821
Returns of single persons, total.....	3,495,956	38,941,846	7,066,476	7,039,936	2,578,100	5,438,544
Filed by men.....	910,254	10,449,601	1,845,319	1,835,785	670,523	1,390,966
Filed by women.....	2,585,702	28,492,244	5,221,157	5,204,151	1,907,577	4,047,578
Returns with itemized deductions						
Marital status and sex of taxpayer	Number of returns	Total itemized deductions	Zero bracket amount		Excess itemized deductions	
			Number of returns	Amount	Number of returns	Amount
	(7)	(8)	(9)	(10)	(11)	(12)
All returns, total.....	1,925,961	15,764,691	1,831,895	5,256,059	1,904,098	10,125,456
Joint returns of husbands and wives, total.....	1,140,864	10,404,632	1,106,688	3,664,860	1,126,496	6,545,355
Both age 65 or over.....	586,151	5,745,495	565,072	1,866,559	575,297	3,766,061
Husband age 65 or over; wife under 65.....	466,622	4,041,728	457,611	1,514,200	463,108	2,460,459
Wife age 65 or over; husband under 65.....	88,091	617,408	84,005	284,101	88,091	318,835
Separate returns of husbands and wives, total..	34,146	181,068	33,381	54,380	33,395	123,570
Filed by husbands.....	18,074	106,736	17,311	28,943	18,024	76,055
Filed by wives.....	16,072	74,332	16,070	25,437	15,371	47,514
Returns of heads of households, total.....	26,993	172,844	26,990	60,935	25,618	110,767
Filed by men.....	6,405	49,406	6,402	14,725	6,405	34,675
Filed by women.....	20,588	123,438	20,588	46,211	19,213	76,093
Returns of surviving spouses, total.....	*498	*6,089	*498	*1,693	*498	*4,395
Filed by men.....	+	+	+	+	+	+
Filed by women.....	+	+	+	+	+	+
Returns of single persons, total.....	723,460	5,000,058	664,338	1,474,191	718,091	3,341,368
Filed by men.....	168,806	1,266,364	153,606	349,246	168,295	878,773
Filed by women.....	554,654	3,733,694	510,732	1,124,945	549,796	2,462,595

Footnotes at end of table.

Table 4A.--Returns of Taxpayers Age 65 or Over: Selected Tax Items by Marital Status and Sex of Taxpayer--Continued

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

Marital status and sex of taxpayer	Taxable income		Total tax preferences		Additional tax for tax preferences	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)
All returns, total.....	7,894,265	97,215,351	94,252	5,782,433	37,978	250,405
Joint returns of husbands and wives, total.....	4,442,990	65,885,896	69,092	4,134,781	27,042	189,419
Both age 65 or over.....	2,347,719	34,177,142	42,583	2,549,779	17,589	110,835
Husband age 65 or over; wife under 65.....	1,762,053	26,607,342	23,788	1,452,378	8,409	71,650
Wife age 65 or over; husband under 65.....	333,218	5,101,412	2,721	132,624	1,044	6,934
Separate returns of husbands and wives, total..	94,467	932,828	315	40,213	440	2,144
Filed by husbands.....	49,758	488,832	251	30,693	98	1,221
Filed by wives.....	44,709	443,996	64	9,520	342	923
Returns of heads of households, total.....	112,210	1,219,063	603	60,331	434	4,444
Filed by men.....	37,596	379,993	311	47,258	177	3,428
Filed by women.....	74,614	839,070	292	13,073	*257	*1,016
Returns of surviving spouses, total.....	2,160	45,607	+	+	+	+
Filed by men.....	*741	*29,024	+	+	+	+
Filed by women.....	*1,419	*16,583	-	-	-	-
Returns of single persons, total.....	3,242,438	29,131,957	24,241	1,547,055	10,061	54,397
Filed by men.....	824,129	7,926,728	6,611	332,158	2,277	15,669
Filed by women.....	2,418,309	21,205,229	17,630	1,214,897	7,784	38,728

Marital status and sex of taxpayer	Income tax after credits		Total income tax	
	Number of returns	Amount	Number of returns	Amount
	(19)	(20)	(21)	(22)
All returns, total.....	6,176,549	21,859,240	6,181,511	22,109,644
Joint returns of husbands and wives, total.....	3,422,813	15,230,076	3,426,949	15,419,495
Both age 65 or over.....	1,746,434	8,257,786	1,749,651	8,368,621
Husband age 65 or over; wife under 65.....	1,405,059	5,975,810	1,405,899	6,047,460
Wife age 65 or over; husband under 65.....	271,320	996,480	271,399	1,003,414
Separate returns of husbands and wives, total..	72,957	254,941	73,285	257,085
Filed by husbands.....	38,225	130,559	38,263	131,780
Filed by wives.....	34,732	124,382	35,022	125,305
Returns of heads of households, total.....	82,851	269,993	82,875	274,436
Filed by men.....	24,043	90,559	24,066	93,987
Filed by women.....	58,808	179,433	58,809	180,449
Returns of surviving spouses, total.....	*1,916	*11,725	*1,916	*11,726
Filed by men.....	*497	*9,570	*497	*9,571
Filed by women.....	*1,419	*2,155	*1,419	*2,155
Returns of single persons, total.....	2,596,012	6,092,505	2,596,486	6,146,902
Filed by men.....	656,745	1,768,173	656,897	1,783,842
Filed by women.....	1,939,267	4,324,331	1,939,589	4,363,060

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

†Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

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

Figure 4A

Number of Returns with Age Exemptions, and Number with Retirement Income Credit/Credit for the Elderly, 1969-1979

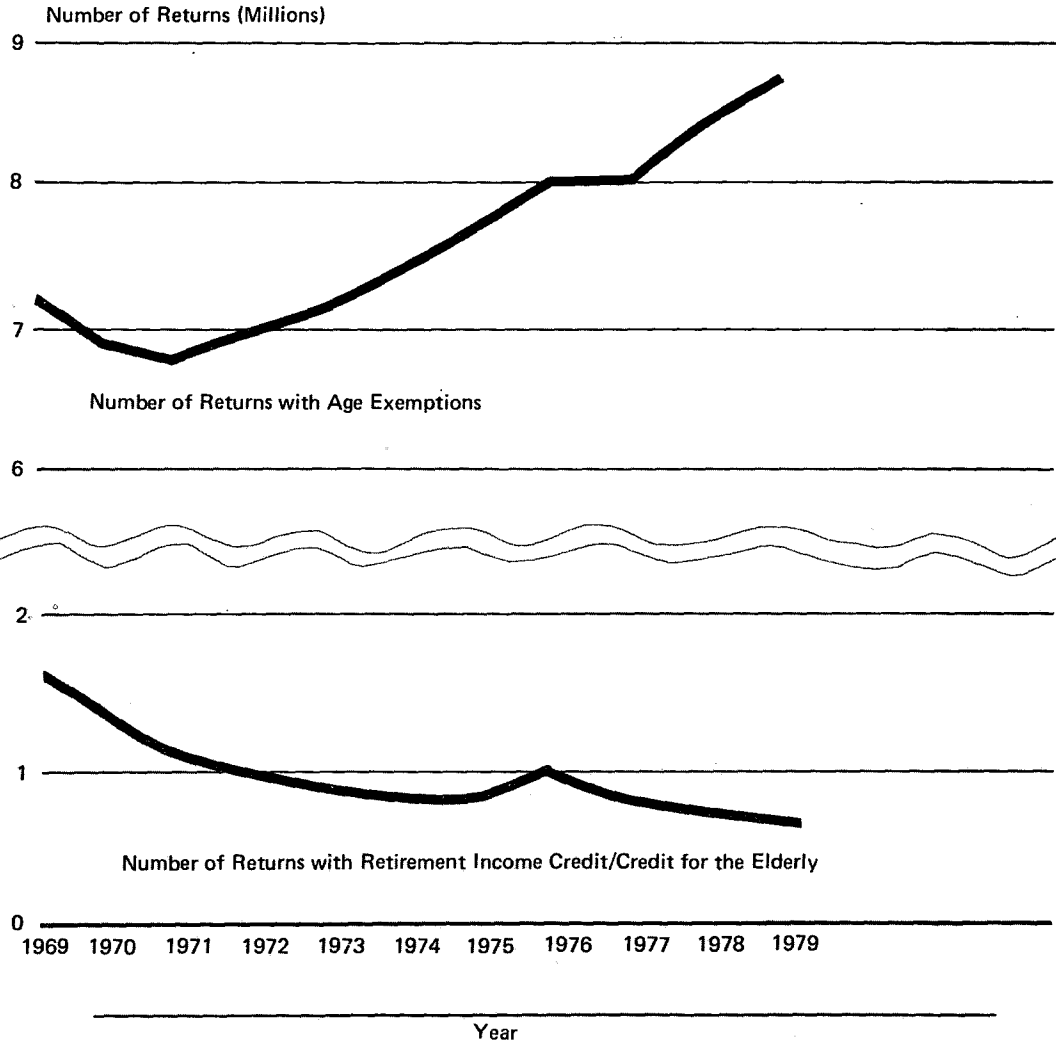


Table 4.1 — Returns of Taxpayers Age 65 or Over: Selected Income and Tax Items, by Size of Adjusted Gross Income — Continued

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

Table with 14 columns: Size of adjusted gross income, Domestic and foreign dividends received, Interest received, Pensions and annuities, Rent net income less loss, and Royalty net income less loss. Rows include 'All returns, total', 'Taxable returns, total', and 'Total nontaxable returns', with detailed sub-rows for income brackets.

Footnote(s) at end of table.

Table 4.2 — Itemized Deduction Returns of Taxpayers Age 65 or Over: Itemized Deductions by Type and by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Income tax before credits		Credits				Income tax after credits		Total income tax	
	Number of returns	Amount	Total		Credit for the elderly		Number of returns	Amount	Number of returns	Amount
			Number of returns	Amount	Number of returns	Amount				
	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)
Total	1,694,234	15,544,149	531,651	240,703	40,394	6,322	1,666,474	15,303,446	1,670,715	15,512,827
Under \$2,000.....	—	—	—	—	—	—	—	—	—	—
\$2,000 under \$4,000.....	*32	—	—	—	—	—	—	—	*113	*22
\$4,000 under \$6,000.....	35,453	2,484	13,153	529	*6,544	*303	29,176	1,955	29,196	2,139
\$6,000 under \$8,000.....	75,985	18,372	19,098	2,020	*10,946	*1,113	69,760	16,352	69,782	17,251
\$8,000 under \$10,000.....	82,062	32,697	21,671	1,890	*3,197	*595	74,641	30,807	74,846	30,857
\$10,000 under \$12,000.....	113,848	78,197	21,710	2,405	*4,445	*741	113,004	75,792	113,005	75,826
\$12,000 under \$14,000.....	121,201	116,124	29,841	3,142	*3,524	*328	118,724	112,981	118,725	112,982
\$14,000 under \$16,000.....	104,289	133,023	26,059	3,072	*5,558	*1,462	103,474	129,950	103,892	130,547
\$16,000 under \$18,000.....	101,351	164,449	30,828	3,056	*1,436	*190	100,247	161,393	100,247	161,500
\$18,000 under \$20,000.....	100,829	211,354	27,462	3,643	—	—	100,144	207,711	100,847	208,328
\$20,000 under \$25,000.....	193,255	516,617	43,970	8,280	*500	*193	192,790	508,337	193,180	509,079
\$25,000 under \$30,000.....	160,218	653,093	43,476	13,565	*1,477	*533	159,761	639,528	160,869	641,602
\$30,000 under \$50,000.....	334,313	2,350,867	109,915	26,235	*2,066	*613	334,128	2,324,633	334,320	2,339,668
\$50,000 under \$100,000.....	190,033	3,505,465	91,071	51,705	*692	*248	189,400	3,453,760	189,986	3,490,038
\$100,000 under \$200,000.....	57,743	2,772,819	35,976	42,712	*9	*3	57,632	2,730,107	58,006	2,778,729
\$200,000 under \$500,000.....	19,302	2,383,398	13,898	38,243	—	—	19,248	2,345,155	19,364	2,387,990
\$500,000 under \$1,000,000.....	3,082	946,354	2,481	21,523	—	—	3,077	924,831	3,097	947,786
\$1,000,000 or more.....	1,238	1,658,835	1,042	18,682	—	—	1,236	1,640,153	1,240	1,678,481
All returns, summary:										
Under \$5,000.....	*8,802	*226	*5,279	*180	*3,319	*139	*3,877	*46	*3,967	*89
\$5,000 under \$10,000.....	184,730	53,329	48,643	4,259	17,368	1,872	169,732	49,070	169,970	50,180
\$10,000 under \$15,000.....	291,437	260,325	66,145	7,569	13,215	2,518	288,109	252,756	288,123	252,940
\$15,000 under \$20,000.....	250,081	442,822	69,755	7,750	*1,748	*203	247,484	435,071	248,593	436,243
\$20,000 or more.....	959,184	14,787,448	341,829	220,945	4,744	1,590	957,272	14,566,503	960,062	14,773,374

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

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

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

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Introduction

Data in this section classify taxpayers by State, based on the address reported on the tax return as described below. For 1979, information is shown for sources of income (table 5.1), itemized deductions (table 5.2), and tax credits and taxpayments (table 5.3). Table 5.4 presents details on the computation of the residential energy credit. Table 5.5 presents data for selected items for all returns and joint returns, classified by both State and size of adjusted gross income.

For 1979, unemployment compensation was a new item on the tax return. Figure 5A shows returns with unemployment compensation as a percent of all returns by State. Generally, only those taxpayers who had other sources of income had to report unemployment compensation. A detailed description of unemployment compensation is given in section 1, "Returns Filed and Sources of Income."

*John Koziolec was responsible for the review and analysis of the data in this section. He was assisted by Brenda Harrison.

State Data

The tables in this section classify taxpayers according to the State address reported on the tax return, including the District of Columbia and, as described below, Puerto Rico. Returns of service men and women who filed from Army Post Office (APO) and Fleet Post Office (FPO) addresses are classified in a separate category, as are returns of U.S. citizens living in U.S. possessions or abroad.

Residents of Puerto Rico had to file U.S. income tax returns only if they had income from sources outside Puerto Rico or income earned in Puerto Rico as employees of the U.S. Government, and the income on their returns was limited to these amounts. U.S. citizens residing abroad had to file tax returns and indicate the amount of income excluded or deducted even if they ultimately had no tax liability as a result of these reductions to income.

Method of Geographic Coding

Geographic coding of returns for Statistics of Income was based on the address at the top of each tax return. With some exceptions, only the State given in the address determined the classification of the return. Separate codes were used for each of the three categories, APO/FPO, Puerto Rico, and U.S. citizens abroad. In addition, returns showing Washington, D.C. in the address were coded (as Maryland or District of Columbia) according to the street address and ZIP code, rather than on the basis of "District of Columbia," in the address.

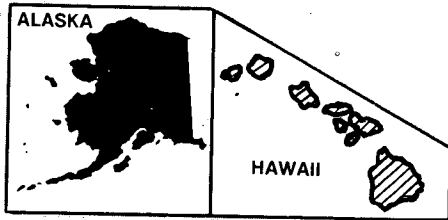
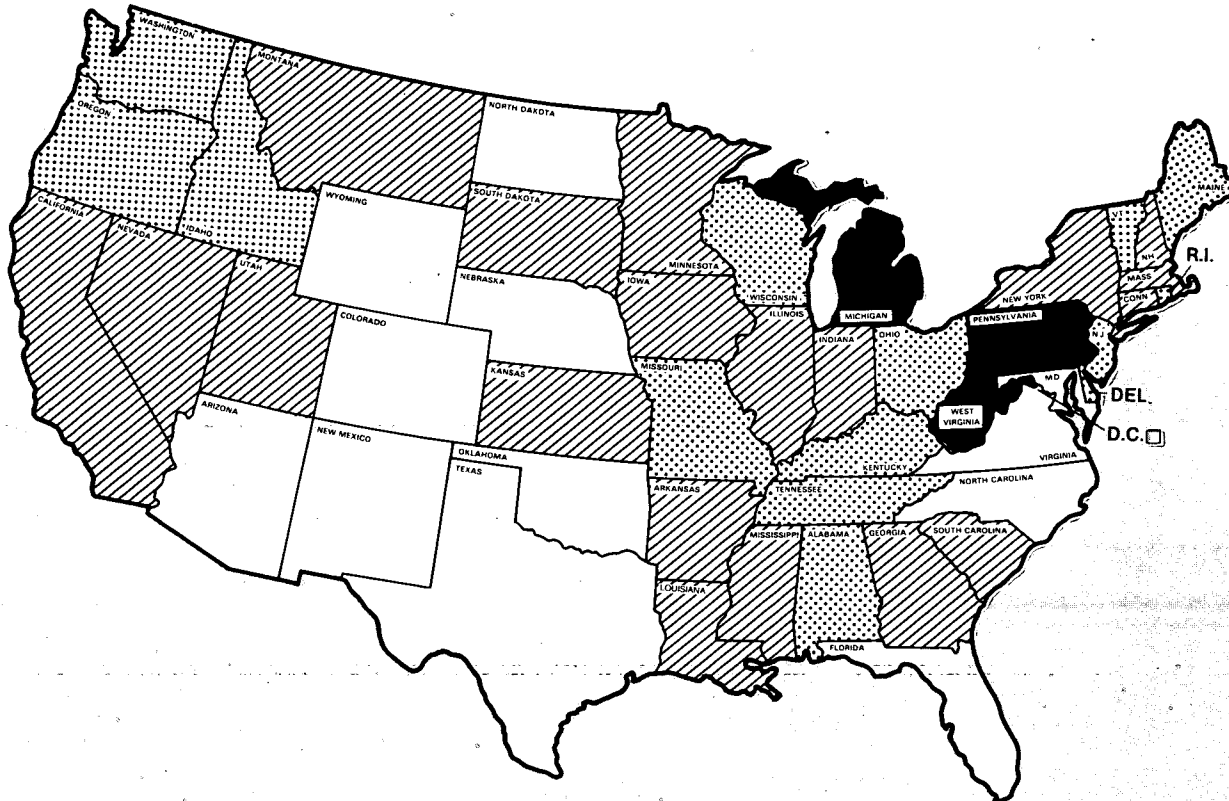
Coding returns on the basis of the address alone was subject to certain limitations. Not all taxpayers gave their home address; some reported:

- (1) the address of the tax lawyer or accountant who prepared the return,
- (2) the address of their place of business, or
- (3) a post office box number.

To the extent that such an address was located in a State different from the taxpayer's home, the accuracy of the data was affected.

Figure 5A

Returns with Unemployment Compensation as a Percent of All Returns by State, 1979







-  2% Under 5%
-  5% Under 8%
-  8% Under 11%
-  11% Or Over

Table 5.1 — Selected Sources of Income and Tax Items, by States — Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

State	Small Business Corporation net profit less loss		State income tax refunds		Unemployment compensation			
	Number of returns	Amount	Number of returns	Amount	Total		In adjusted gross income	
					Number of returns	Amount	Number of returns	Amount
	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
United States, total.....	710,528	2,231,684	10,286,378	3,239,212	6,276,302	7,170,737	1,222,829	994,089
Alabama.....	7,351	8,574	205,553	44,853	112,814	89,391	12,473	6,247
Alaska.....	820	1,439	39,402	19,544	31,619	38,173	9,864	11,254
Arizona.....	6,666	25,167	134,800	26,197	42,412	40,122	4,896	3,407
Arkansas.....	6,552	37,000	61,332	14,202	61,216	105,676	10,042	5,561
California.....	45,645	66,619	1,811,209	785,884	595,794	712,994	130,891	123,199
Colorado.....	15,194	53,057	288,880	94,785	49,857	45,245	12,157	11,346
Connecticut.....	19,864	71,158	31,820	28,146	104,233	111,859	23,449	9,585
Delaware.....	2,062	5,029	29,983	10,222	20,189	22,159	4,942	4,207
District of Columbia.....	2,044	- 15,856	29,230	15,770	9,186	13,024	1,112	982
Florida.....	52,821	282,496	44,967	25,036	139,320	157,895	18,551	16,770
Georgia.....	16,528	32,648	214,681	51,002	153,710	117,687	21,831	15,517
Hawaii.....	3,505	18,570	80,090	26,147	26,643	29,854	7,133	7,332
Idaho.....	3,951	20,022	45,415	11,755	29,112	28,620	4,638	3,377
Illinois.....	38,396	175,780	444,651	44,342	289,807	427,174	78,080	93,075
Indiana.....	33,644	204,074	131,060	11,946	134,470	133,581	33,846	24,447
Iowa.....	11,139	73,230	250,418	69,946	61,149	57,718	14,431	8,904
Kansas.....	7,894	4,554	139,777	25,049	51,404	49,393	10,437	6,964
Kentucky.....	7,302	11,028	216,318	51,999	121,141	115,687	20,765	10,811
Louisiana.....	11,128	51,856	67,680	7,847	79,976	104,533	11,378	14,492
Maine.....	3,884	- 8,984	32,563	7,743	41,824	34,379	5,577	2,486
Maryland.....	13,251	30,880	358,235	128,777	88,350	85,080	21,619	15,022
Massachusetts.....	10,727	- 1,230	294,526	54,986	148,441	159,550	22,449	20,866
Michigan.....	21,035	53,349	615,902	145,197	433,992	457,598	128,474	88,887
Minnesota.....	18,198	126,494	413,747	180,651	103,371	140,502	20,970	16,189
Mississippi.....	6,637	58,348	59,889	10,339	49,691	54,002	3,801	2,591
Missouri.....	24,608	81,862	199,104	30,733	167,197	135,064	25,896	17,617
Montana.....	7,150	15,771	46,242	11,436	25,013	24,842	4,035	3,453
Nebraska.....	8,164	17,283	70,956	14,597	23,359	19,756	*2,316	*2,620
Nevada.....	2,748	2,374	5,433	2,470	22,045	24,193	4,183	2,784
New Hampshire.....	1,470	1,557	12,153	2,455	28,695	29,231	4,116	1,896
New Jersey.....	35,526	96,372	442,633	100,485	287,151	408,548	65,825	76,662
New Mexico.....	4,024	13,233	50,581	12,466	19,067	21,111	1,026	643
New York.....	76,581	98,015	1,336,285	581,800	539,241	696,690	108,153	100,492
North Carolina.....	15,950	- 2,103	275,671	79,324	105,939	59,545	13,333	4,722
North Dakota.....	3,576	25,611	15,821	6,491	13,218	14,098	1,885	1,171
Ohio.....	22,149	100,424	272,916	27,007	385,526	536,288	92,339	67,132
Oklahoma.....	11,869	81,226	106,365	26,804	45,357	48,172	3,042	1,283
Oregon.....	9,641	41,950	235,698	76,315	104,848	88,489	17,052	12,018
Pennsylvania.....	23,269	- 35,964	41,024	10,108	561,030	708,483	86,155	62,554
Rhode Island.....	1,160	12,435	38,767	7,644	42,447	52,750	5,007	6,380
South Carolina.....	7,376	14,489	132,286	41,109	60,304	55,570	7,603	6,106
South Dakota.....	3,083	18,242	2,145	740	14,376	9,633	*757	*503
Tennessee.....	7,623	44,729	6,562	4,394	167,630	148,377	18,161	10,246
Texas.....	31,342	56,387	15,225	5,939	156,681	202,827	27,851	18,237
Utah.....	5,339	9,727	92,525	22,713	31,450	36,063	5,664	4,982
Vermont.....	2,257	- 1,148	18,583	5,416	20,783	13,910	999	496
Virginia.....	13,968	31,154	350,856	101,703	79,944	105,857	13,050	16,357
Washington.....	10,906	56,609	27,689	10,528	142,766	154,726	29,539	22,752
West Virginia.....	2,592	17,039	35,465	7,732	77,423	84,050	15,612	7,354
Wisconsin.....	7,737	29,092	399,962	152,356	161,109	142,279	31,656	19,973
Wyoming.....	3,886	20,555	4,044	935	7,339	6,309	2,449	1,907
APO/FPO ¹	—	—	*1,930	*290	*1,319	*295	*1,319	*232
Puerto Rico.....	*4	- 32	*669	*155	*5,313	*11,653	—	—
U.S. citizens abroad ²	292	- 510	6,660	2,700	*11	*33	—	—

Footnote(s) at end of table.

Table 5.2 — All Returns, Returns with Zero Bracket Amount Only, and Returns with Itemized Deductions by Type, by States — Continued

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

State	Returns with itemized deductions—Continued											
	Taxes paid deduction—Continued		Contributions deduction									
	Personal property taxes		Total		Cash contributions		Other than cash contributions		Carryover from prior years		Amount not deductible because of income limitation	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	
United States, total	11,155,431	1,407,973	24,556,366	22,210,838	24,296,171	19,179,271	5,557,458	3,327,170	87,695	1,098,713	46,122	1,394,316
Alabama.....	305,947	15,225	350,785	396,358	348,704	376,223	54,939	24,942	364	1,939	*674	*6,747
Alaska.....	31,922	2,817	54,255	54,263	53,321	47,469	10,876	5,462	266	35,605	239	34,272
Arizona.....	296,882	31,078	348,139	320,299	338,535	278,791	119,333	56,251	1,575	28,052	1,183	42,794
Arkansas.....	108,129	10,290	136,587	167,534	136,231	158,278	14,281	9,908	454	7,427	980	8,079
California.....	2,953,579	327,802	3,334,427	2,779,074	3,278,703	2,275,684	1,317,599	712,351	14,065	140,176	8,484	349,137
Colorado.....	405,021	38,983	428,664	300,932	419,556	256,956	139,681	43,125	491	10,014	75	9,163
Connecticut.....	319,156	54,657	377,897	319,318	375,884	258,188	79,801	58,592	586	12,838	54	10,300
Delaware.....	6,650	1,551	72,854	89,917	72,801	54,965	18,741	11,628	91	3,924	8	601
District of Columbia.....	8,515	1,174	88,437	100,415	87,380	79,156	17,510	21,556	189	6,928	86	7,226
Florida.....	117,590	24,239	813,109	885,875	801,506	698,657	170,665	191,381	5,499	56,594	2,746	60,957
Georgia.....	475,546	43,165	524,316	526,674	516,428	455,871	103,971	70,071	1,513	14,861	596	14,129
Hawaii.....	9,101	1,257	129,164	84,722	128,219	69,860	24,674	16,756	833	11,435	479	13,329
Idaho.....	16,174	1,903	92,143	106,953	90,612	96,807	19,894	11,023	234	5,666	126	6,543
Illinois.....	42,219	7,441	1,354,932	1,164,839	1,348,254	1,017,139	243,029	137,921	4,738	43,604	1,849	33,825
Indiana.....	426,015	67,119	449,902	434,894	449,222	399,742	44,768	38,858	1,697	27,147	624	30,853
Iowa.....	254,396	16,308	313,888	238,742	310,711	222,039	60,378	20,231	1,366	3,371	2,390	6,899
Kansas.....	231,540	40,266	240,442	222,475	236,714	198,433	49,467	25,391	1,778	3,379	224	4,728
Kentucky.....	160,804	17,032	306,386	270,143	303,256	250,201	31,606	22,891	1,163	2,917	*193	*5,866
Louisiana.....	52,899	5,799	298,420	336,628	296,577	303,443	44,206	32,951	2,064	11,621	140	11,386
Maine.....	66,153	6,884	75,635	52,163	75,596	55,407	10,678	5,828	416	37,162	592	46,234
Maryland.....	28,655	5,373	665,186	505,394	656,708	427,795	175,001	74,800	2,149	23,206	371	20,407
Massachusetts.....	703,091	103,792	778,187	495,074	773,220	417,344	117,958	72,959	998	25,341	373	20,570
Michigan.....	70,205	22,845	1,291,704	964,018	1,281,886	854,774	204,641	122,071	6,839	31,813	1,661	44,640
Minnesota.....	439,036	30,433	557,198	436,039	555,286	393,137	147,427	41,471	481	10,207	93	8,776
Mississippi.....	160,106	23,131	168,531	197,447	165,456	183,681	18,897	13,720	467	3,148	257	3,102
Missouri.....	398,650	33,616	451,802	447,339	449,202	393,221	101,344	70,527	1,284	5,577	1,175	21,986
Montana.....	67,411	12,409	75,423	62,978	73,831	10,605	9,416	562	3,772	106	562	2,587
Nebraska.....	122,789	19,674	139,044	129,205	138,274	111,832	42,707	16,807	253	8,818	299	8,252
Nevada.....	85,687	9,705	95,143	83,872	93,081	66,690	25,305	19,905	269	7,238	779	9,961
New Hampshire.....	58,243	5,822	75,299	55,039	74,443	45,418	10,546	9,026	368	1,850	*29	*1,255
New Jersey.....	45,018	7,599	936,984	762,313	932,502	215,822	83,651	3,942	19,191	332	10,554	
New Mexico.....	17,002	2,871	99,941	90,521	98,321	79,225	24,367	14,404	474	4,611	215	7,721
New York.....	95,843	24,725	2,416,405	1,992,045	2,409,218	1,624,098	478,441	366,896	5,913	166,532	4,240	165,482
North Carolina.....	150,121	23,247	524,334	536,937	520,298	504,331	68,541	41,464	905	6,858	838	15,717
North Dakota.....	4,527	306	52,461	45,515	51,913	43,908	7,056	1,841	*22	*297	*17	*531
Ohio.....	186,206	62,049	986,576	851,173	976,050	752,844	203,058	101,690	606	27,840	110	31,201
Oklahoma.....	254,744	34,714	271,109	345,865	268,287	321,674	41,113	24,282	585	10,578	456	10,669
Oregon.....	16,365	4,203	293,205	263,324	287,152	228,120	69,447	36,669	2,696	12,194	1,271	13,659
Pennsylvania.....	196,364	28,848	1,145,993	1,063,580	1,136,594	932,166	221,960	141,550	4,174	61,245	2,352	71,382
Rhode Island.....	71,257	12,299	92,930	61,012	92,001	51,183	12,444	8,010	51	4,753	39	2,934
South Carolina.....	201,801	23,068	277,621	289,344	276,015	270,251	35,377	23,128	1,705	1,263	382	5,298
South Dakota.....	6,667	644	39,123	38,137	39,112	35,716	6,555	2,497	*39	*112	*9	*188
Tennessee.....	21,642	3,263	316,330	408,327	313,769	363,828	42,148	39,136	804	11,178	60	5,814
Texas.....	210,579	28,554	1,043,162	1,390,929	1,021,659	1,175,934	249,854	198,231	5,971	108,242	4,838	91,478
Utah.....	178,567	17,039	198,362	324,281	196,749	296,972	56,344	38,789	1,336	32,663	1,182	44,143
Vermont.....	3,353	830	34,381	21,928	34,074	18,276	4,798	3,650	18	745	*15	*743
Virginia.....	559,241	83,042	601,807	562,499	593,995	483,079	133,759	74,071	1,904	18,293	61	12,944
Washington.....	381,781	54,206	435,884	419,490	421,344	348,026	119,881	95,347	2,527	15,228	2,423	39,111
West Virginia.....	64,697	4,932	76,404	79,630	76,145	74,749	10,884	4,841	*23	*127	†	†
Wisconsin.....	24,752	4,056	557,720	359,603	554,030	324,089	109,518	30,001	785	9,215	*62	*3,702
Wyoming.....	36,183	4,648	42,909	45,108	42,733	36,123	6,474	22,628	154	1,221	25	14,865
APO/FPO.....	*2,586	*198	7,735	5,893	4,937	*4,825	*956	—	—	—	—	—
Puerto Rico.....	*669	*73	*869	*1,000	*869	*794	*669	*206	—	—	—	—
U.S. citizens abroad.....	3,375	772	16,222	43,760	16,009	39,142	3,595	5,411	*8	*698	†	†

Footnote(s) at end of table.

Table 5.3 — All Returns: Income Tax Before Credits, Tax Credits, and Taxpayments, by States

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

State	All returns	Income tax before credits		Tax credits							
		Number of returns	Amount	Total		Child care credit		Earned income credit used to offset income tax before credits		Credit for the elderly	
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
United States, total.....	92,694,302	74,243,824	220,099,516	18,696,532	6,780,186	3,833,016	793,143	3,454,384	495,500	607,360	131,734
Alabama.....	1,372,550	1,030,718	2,572,140	267,138	76,295	62,686	11,651	64,560	8,730	8,454	1,453
Alaska.....	188,339	157,585	669,485	45,742	21,178	11,328	2,545	6,120	905	1,965	571
Arizona.....	1,076,686	818,149	2,216,532	190,893	71,345	43,536	8,243	42,102	7,098	11,522	2,403
Arkansas.....	801,906	588,622	1,356,899	180,580	60,152	44,547	6,765	52,565	6,201	4,128	1,049
California.....	10,069,500	8,108,445	25,385,218	1,950,427	735,116	550,959	139,670	341,030	49,080	80,301	17,342
Colorado.....	1,261,473	1,013,100	2,994,063	283,774	105,342	67,354	13,515	39,644	3,939	13,617	2,974
Connecticut.....	1,376,438	1,155,178	4,158,765	287,715	77,287	28,946	6,070	42,752	4,556	*1,810	*1,810
Delaware.....	248,170	205,542	647,119	49,371	13,463	7,894	1,430	10,156	1,403	*1,985	*433
District of Columbia.....	315,668	265,455	868,546	79,966	27,161	12,617	4,084	25,584	5,558	6,233	1,439
Florida.....	3,900,884	3,055,935	8,779,327	683,042	269,118	162,472	30,098	181,198	29,299	60,734	14,810
Georgia.....	2,115,568	1,670,798	4,142,724	453,720	111,011	129,717	26,202	145,802	22,223	13,877	2,923
Hawaii.....	412,922	332,554	917,012	71,886	24,398	16,157	3,067	10,384	1,027	7,504	1,890
Idaho.....	353,402	260,727	636,458	74,001	37,146	14,994	2,142	9,894	1,335	*1,115	*237
Illinois.....	4,901,286	4,026,259	13,757,592	910,357	307,771	167,217	36,774	118,117	17,922	19,474	3,455
Indiana.....	2,227,638	1,791,606	5,440,446	414,024	177,378	89,273	16,274	77,206	11,768	*3,569	*680
Iowa.....	1,202,827	960,263	2,710,827	219,259	162,381	69,128	11,259	30,080	3,080	*7,772	*1,198
Kansas.....	993,238	807,776	2,379,806	224,780	119,160	45,500	8,457	33,343	5,957	*4,387	*454
Kentucky.....	1,309,862	1,029,364	2,583,620	277,012	90,103	66,987	13,161	61,999	8,697	*5,718	*1,175
Louisiana.....	1,526,193	1,182,329	3,545,268	336,409	110,943	71,532	14,680	74,572	9,179	21,578	5,030
Maine.....	456,794	366,332	722,985	95,214	23,815	16,283	3,157	16,883	1,900	6,024	945
Maryland.....	1,821,650	1,482,733	4,770,110	368,189	92,872	81,608	19,704	61,608	8,543	21,443	5,520
Massachusetts.....	2,514,614	2,002,758	5,687,744	490,071	96,721	68,280	11,955	50,264	7,280	21,050	4,720
Michigan.....	3,764,658	3,097,861	10,177,793	702,423	193,159	144,795	29,030	114,570	16,761	*3,267	*908
Minnesota.....	1,728,264	1,367,485	3,873,452	450,923	172,027	97,445	17,014	30,110	3,678	13,598	2,086
Mississippi.....	838,608	630,740	1,408,115	190,038	67,095	44,494	8,573	71,673	11,236	*3,706	*414
Missouri.....	1,970,530	1,565,496	4,478,279	431,314	158,428	96,490	16,845	68,521	8,778	12,143	2,065
Montana.....	332,263	245,304	616,507	80,479	38,087	14,627	1,732	17,512	2,284	1,883	387
Nebraska.....	662,771	517,263	1,405,589	168,120	97,521	44,365	8,632	18,184	2,773	*5,285	*891
Nevada.....	369,073	301,003	967,319	66,264	31,890	21,273	4,270	9,273	1,411	3,261	972
New Hampshire.....	423,581	338,563	880,846	76,895	19,025	13,883	2,268	11,802	877	3,982	672
New Jersey.....	3,152,764	2,611,284	8,833,529	711,038	161,564	87,491	18,177	108,904	15,355	11,285	1,887
New Mexico.....	510,654	375,859	927,496	104,827	37,574	24,451	3,765	25,838	3,305	4,062	1,144
New York.....	7,147,126	5,884,807	17,503,575	1,588,190	391,640	208,097	54,142	284,265	40,344	18,580	4,773
North Carolina.....	2,311,897	1,789,890	4,084,201	456,662	129,983	103,530	19,901	130,595	20,453	14,410	2,799
North Dakota.....	273,563	211,332	524,612	77,422	56,947	11,673	1,753	6,193	690	*2,614	*405
Ohio.....	4,513,999	3,740,689	11,066,339	766,112	224,416	138,724	25,185	147,767	23,518	15,091	3,649
Oklahoma.....	1,148,877	902,179	2,543,302	271,698	126,972	72,492	13,206	44,233	6,361	6,678	2,316
Oregon.....	1,100,919	867,902	2,434,002	221,269	88,772	54,466	9,833	31,242	3,479	*3,093	*547
Pennsylvania.....	4,817,969	3,848,843	11,207,150	842,941	227,451	81,944	15,338	127,586	16,846	18,263	3,504
Rhode Island.....	401,459	323,194	844,519	84,250	20,825	7,231	1,991	15,360	2,213	5,836	1,529
South Carolina.....	1,167,227	917,992	2,025,361	243,899	57,893	70,132	13,344	69,753	12,146	*2,428	*266
South Dakota.....	285,962	210,060	469,563	80,036	49,361	12,434	2,081	10,340	1,647	*470	*84
Tennessee.....	1,753,231	1,347,794	3,385,269	372,339	103,433	63,915	11,575	121,456	17,667	*11,470	*1,430
Texas.....	5,596,618	4,448,567	14,893,667	1,083,955	556,020	308,943	73,093	239,164	31,958	38,818	8,882
Utah.....	528,243	412,446	989,081	109,420	36,218	20,743	3,120	16,739	2,348	4,212	1,281
Vermont.....	193,311	152,338	342,652	39,254	11,401	6,303	907	7,874	902	*637	*224
Virginia.....	2,187,918	1,756,665	5,069,929	443,181	113,582	96,894	19,053	91,538	13,235	29,344	7,639
Washington.....	1,757,458	1,443,287	4,697,989	330,129	113,353	65,506	11,549	44,416	6,701	18,956	4,907
West Virginia.....	667,001	527,754	1,451,873	85,658	23,363	8,577	1,634	30,208	3,183	*668	*227
Wisconsin.....	1,968,083	1,553,078	4,262,560	395,602	138,812	82,861	9,640	45,124	6,866	12,202	1,548
Wyoming.....	205,402	166,732	576,567	44,989	29,572	11,046	1,946	3,416	411	*763	*290
APO/FPO.....	284,409	247,900	241,415	43,134	11,023	*7,210	*1,858	21,826	2,206	—	—
Puerto Rico.....	32,638	17,911	41,853	13,707	17,807	*669	*68	—	—	*3,142	*149
U.S. citizens abroad.....	150,220	109,376	932,424	66,794	464,752	*1,497	*898	*1,590	*184	*5,962	*1,252

Footnote(s) at end of table.

Table 5.3 — All Returns: Income Tax Before Credits, Tax Credits, and Taxpayments, by States — Continued

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

State	Tax credits—Continued										Income tax after credits	
	Investment credit		Foreign tax credit		Political contributions credit		Jobs credit		Residential energy credit used to offset income tax before credits		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	
United States, total	4,232,164	3,313,836	285,422	850,212	4,069,156	193,524	273,179	517,929	4,775,308	473,603	71,619,111	213,319,330
Alabama.....	57,604	33,693	1,608	4,610	49,824	2,254	3,767	7,894	61,052	5,676	980,954	2,495,845
Alaska.....	15,456	14,694	221	216	7,639	326	624	1,031	10,143	883	151,301	648,307
Arizona.....	40,972	33,492	3,182	6,259	39,633	1,742	2,591	6,280	36,652	5,827	788,010	2,145,186
Arkansas.....	51,907	38,920	895	292	14,423	715	2,609	3,124	29,689	3,021	549,027	1,296,747
California.....	464,898	368,498	28,531	47,709	554,948	25,625	34,651	60,469	196,005	24,962	7,841,185	24,650,102
Colorado.....	76,145	57,395	1,498	5,424	49,405	2,041	3,759	11,959	82,528	8,065	967,595	2,688,722
Connecticut.....	51,778	33,747	5,711	9,498	92,158	4,036	2,473	6,057	114,889	11,493	1,132,325	4,081,478
Delaware.....	8,568	6,183	348	1,585	9,712	503	539	499	15,640	1,413	198,252	633,656
District of Columbia.....	6,126	9,764	2,727	1,667	28,477	1,182	661	1,627	13,475	1,852	254,433	841,385
Florida.....	144,849	110,718	19,248	32,857	121,990	5,536	17,884	38,818	72,433	6,773	2,932,340	8,510,209
Georgia.....	71,321	43,142	596	2,027	57,706	2,607	6,041	6,303	74,130	5,413	1,579,732	4,031,714
Hawaii.....	12,993	8,784	837	2,460	29,644	1,353	1,073	1,980	5,062	3,779	323,572	892,614
Idaho.....	33,477	29,353	134	612	5,513	238	1,136	1,586	18,189	1,605	252,184	599,312
Illinois.....	223,485	176,085	14,104	15,632	207,462	10,355	9,454	20,359	271,174	27,163	3,919,105	13,448,821
Indiana.....	123,058	99,684	1,962	859	67,283	3,768	8,725	33,517	109,489	9,096	1,718,577	5,263,068
Iowa.....	138,017	132,820	750	2,427	35,656	1,268	2,181	3,262	91,557	6,889	902,954	2,548,446
Kansas.....	97,470	89,901	1,817	3,344	28,006	994	1,817	6,515	45,371	3,498	775,321	2,260,647
Kentucky.....	73,307	48,948	432	336	43,681	2,212	4,781	10,940	63,432	4,635	994,198	2,493,517
Louisiana.....	63,241	61,161	1,906	5,529	103,383	5,679	6,218	36,501	6,218	3,455	1,126,182	3,434,326
Maine.....	16,578	10,077	2,061	1,858	17,321	774	1,107	1,626	37,206	3,428	354,531	699,169
Maryland.....	59,275	31,011	6,027	3,620	68,700	3,084	3,756	9,014	119,711	12,324	1,439,507	4,677,238
Massachusetts.....	60,038	35,785	6,643	1,894	149,357	6,835	3,866	7,417	209,355	20,942	1,974,706	5,591,023
Michigan.....	146,096	83,844	11,028	14,727	124,078	5,521	11,306	15,980	265,467	26,171	3,020,424	9,984,634
Minnesota.....	134,384	114,336	2,118	3,693	89,181	3,107	6,790	13,402	162,787	14,709	1,308,694	3,701,425
Mississippi.....	36,205	34,804	646	1,922	33,703	1,954	3,299	5,739	24,332	2,260	596,570	1,341,020
Missouri.....	145,168	105,396	1,710	2,128	57,061	2,777	6,799	12,336	112,087	8,104	1,516,225	4,319,851
Montana.....	32,574	29,696	267	663	6,774	246	1,170	1,608	18,841	1,471	228,349	578,420
Nebraska.....	77,992	78,263	509	161	12,811	630	2,565	2,931	37,928	3,121	487,853	1,308,068
Nevada.....	14,386	16,118	785	568	15,569	817	1,857	5,662	13,084	2,036	291,982	935,429
New Hampshire.....	13,058	9,075	1,044	1,184	17,633	775	884	1,114	29,219	3,019	329,153	861,821
New Jersey.....	86,865	54,617	9,255	13,334	239,653	12,341	8,935	19,369	267,224	26,234	2,540,236	8,671,965
New Mexico.....	26,165	17,831	1,484	4,937	17,774	1,014	1,022	2,719	21,900	2,824	352,589	889,922
New York.....	200,490	123,452	30,194	53,521	547,919	25,536	14,248	29,962	516,901	59,221	5,717,318	17,111,935
North Carolina.....	89,343	58,119	2,513	2,988	70,267	3,545	11,999	13,285	104,536	8,892	1,709,237	3,954,218
North Dakota.....	42,503	47,925	594	1,267	10,750	437	1,239	2,234	19,338	2,144	194,085	467,665
Ohio.....	146,587	115,170	6,837	15,919	172,814	8,401	9,437	10,676	248,971	21,834	3,654,551	10,841,924
Oklahoma.....	89,999	80,518	1,781	5,267	28,950	1,304	7,207	12,550	65,456	5,245	869,314	2,416,331
Oregon.....	79,903	53,178	1,851	3,002	26,987	1,207	6,781	9,274	64,045	7,943	841,040	2,345,230
Pennsylvania.....	152,667	120,351	8,396	8,231	247,299	13,000	10,776	14,829	313,567	34,898	3,757,915	10,979,698
Rhode Island.....	8,448	8,704	309	492	33,284	1,712	749	1,831	30,131	2,199	312,879	823,694
South Carolina.....	38,077	23,135	658	250	29,818	1,230	944	3,377	54,167	4,145	874,763	1,967,469
South Dakota.....	44,376	40,724	245	205	6,647	335	1,599	3,055	17,248	1,224	189,232	420,201
Tennessee.....	79,951	50,740	1,055	1,141	63,440	3,863	6,177	9,433	65,192	6,218	1,255,657	3,261,836
Texas.....	308,645	314,116	14,227	65,319	175,649	9,291	16,346	37,506	154,691	15,615	4,269,368	14,337,647
Utah.....	28,366	21,347	306	1,023	18,621	838	2,068	3,494	33,722	2,646	398,152	952,862
Vermont.....	11,098	6,421	887	522	4,515	226	365	617	13,358	1,460	143,551	331,252
Virginia.....	76,263	43,826	6,390	3,998	91,525	3,759	6,482	12,561	116,477	9,405	1,703,334	4,956,347
Washington.....	79,985	53,215	4,111	8,798	59,671	2,431	7,612	13,657	100,443	11,633	1,416,372	4,584,636
West Virginia.....	22,205	12,015	776	286	8,216	473	2,410	2,456	20,707	2,652	506,290	1,428,510
Wisconsin.....	107,942	98,048	2,720	1,674	54,569	2,764	3,568	6,255	155,645	12,008	1,499,998	4,123,748
Wyoming.....	19,596	21,409	164	278	5,133	221	1,118	3,477	11,802	1,539	160,763	546,995
APO/FPO ¹	*1,319	*1,272	*2,505	*5,004	*14,533	*684	—	—	—	—	235,246	230,393
Puerto Rico.....	†	†	†	†	*669	*50	—	—	—	—	6,939	23,983
U.S. citizens abroad ²	†	†	56,875	459,390	1,722	128	*34	*46	2,449	537	85,041	467,672

Footnote(s) at end of table.

Table 5.3 — All Returns: Income Tax Before Credits, Tax Credits, and Taxpayments, by States — Continued

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

State	Earned income credit used to offset all other taxes		Total tax liability		Taxpayments					
	Number of returns	Amount	Number of returns	Amount	Total		Income tax withheld		Estimated tax payments	
					Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
United States, total	733,611	161,084	73,156,846	220,100,162	87,414,663	239,154,448	81,384,497	199,631,541	8,085,339	33,707,615
Alabama.....	15,442	3,606	1,005,937	2,577,694	1,307,566	2,962,348	1,238,298	2,532,807	82,205	361,107
Alaska.....	852	213	154,253	666,837	179,462	761,361	174,198	699,752	8,004	42,793
Arizona.....	9,225	1,619	807,035	2,220,848	1,013,693	2,495,978	933,236	2,004,640	99,176	415,945
Arkansas.....	13,820	3,646	574,648	1,368,649	740,615	1,480,864	679,798	1,182,976	67,644	245,122
California.....	65,374	15,454	8,010,619	25,498,934	9,451,035	27,497,607	8,724,808	22,707,321	991,684	3,963,088
Colorado.....	10,215	1,464	997,511	3,000,663	1,181,509	3,218,152	1,118,904	2,699,648	97,258	435,760
Connecticut.....	6,595	1,234	1,140,374	4,169,722	1,295,395	4,310,483	1,206,172	3,582,300	148,200	627,890
Delaware.....	1,788	480	200,665	645,208	234,624	700,582	221,654	584,879	20,283	105,803
District of Columbia.....	508	103	257,269	859,749	302,065	979,438	710,860	26,922	197,826	197,826
Florida.....	27,904	5,481	2,991,776	8,778,572	3,623,394	8,983,867	3,257,061	6,713,636	461,945	1,932,594
Georgia.....	18,271	4,302	1,605,482	4,167,894	2,010,492	4,670,040	1,888,962	3,942,782	153,803	587,588
Hawaii.....	941	163	327,602	917,654	389,517	1,013,841	374,608	850,508	33,837	139,384
Idaho.....	4,829	820	261,346	840,242	323,581	674,377	295,338	564,144	25,283	82,804
Illinois.....	23,051	4,824	3,977,710	13,790,526	4,662,610	14,964,798	4,342,081	12,638,812	460,119	2,070,401
Indiana.....	16,964	3,268	1,754,950	5,412,244	2,116,691	6,004,924	1,993,092	5,186,066	176,429	720,593
Iowa.....	23,935	5,456	959,801	2,723,063	1,094,333	2,698,057	949,239	2,175,020	133,529	485,995
Kansas.....	9,169	2,447	804,166	2,389,807	942,083	2,433,372	849,114	1,963,126	105,779	408,578
Kentucky.....	20,930	5,097	1,022,015	2,584,043	1,235,734	3,015,536	1,157,319	2,527,089	97,920	425,411
Louisiana.....	11,883	2,769	1,141,816	3,536,445	1,460,820	3,891,556	1,378,678	3,197,499	113,416	585,105
Maine.....	5,698	1,325	363,636	725,657	430,027	850,027	398,744	708,902	41,365	126,121
Maryland.....	8,958	2,313	1,456,854	4,776,071	1,747,094	5,331,114	1,648,979	4,546,224	162,864	696,029
Massachusetts.....	11,825	2,674	2,005,571	5,722,226	2,353,322	6,271,203	2,240,115	5,417,695	198,911	763,216
Michigan.....	15,848	3,949	3,054,744	10,180,858	3,593,837	11,682,053	3,401,551	10,375,825	278,117	1,154,155
Minnesota.....	24,399	5,107	1,362,392	3,859,930	1,618,291	4,193,830	1,478,421	3,557,542	138,515	567,627
Mississippi.....	10,704	1,841	609,674	1,399,309	796,776	1,533,178	732,301	1,234,455	57,002	225,408
Missouri.....	21,418	4,704	1,567,734	4,484,201	1,840,075	4,726,141	1,667,978	3,891,119	212,805	754,450
Montana.....	5,285	1,011	241,405	624,322	305,086	652,356	269,463	505,136	38,522	131,455
Nebraska.....	12,775	2,467	515,375	1,403,655	609,932	1,382,710	536,234	1,097,335	68,344	257,010
Nevada.....	2,373	264	298,820	968,175	348,746	1,025,733	334,620	827,828	23,523	163,717
New Hampshire.....	2,984	610	333,671	889,794	405,976	973,969	380,418	825,968	38,467	126,878
New Jersey.....	12,715	3,206	2,575,344	8,844,292	3,006,305	9,550,605	2,841,540	8,167,451	281,755	1,204,086
New Mexico.....	6,623	1,400	361,958	927,113	475,937	1,034,984	443,801	858,008	33,724	139,465
New York.....	41,358	9,185	5,808,234	17,530,994	6,725,524	19,010,615	6,291,545	15,606,711	655,219	2,864,139
North Carolina.....	23,792	5,770	1,758,157	4,089,677	2,187,879	4,534,864	2,076,337	3,883,932	155,598	529,938
North Dakota.....	8,420	1,621	211,627	517,445	245,913	494,017	201,835	377,808	27,960	101,554
Ohio.....	19,316	3,920	3,701,996	11,086,006	4,287,599	12,498,272	4,049,477	10,860,757	340,762	1,441,581
Oklahoma.....	20,853	4,549	898,412	2,554,120	1,060,717	2,636,719	969,704	2,106,801	112,522	439,903
Oregon.....	11,803	2,768	858,699	2,457,975	1,025,080	2,619,570	942,253	2,144,719	108,682	410,332
Pennsylvania.....	32,844	6,874	3,810,142	11,261,654	4,554,461	12,589,215	4,246,858	10,682,045	449,704	1,725,618
Rhode Island.....	1,375	360	315,985	842,174	383,041	952,100	369,261	811,962	27,125	122,354
South Carolina.....	7,434	1,407	892,588	2,020,212	1,124,768	2,284,567	1,072,689	1,991,179	67,929	238,817
South Dakota.....	7,804	1,611	214,098	471,018	252,518	452,027	207,636	355,705	25,408	81,035
Tennessee.....	27,203	5,832	1,292,918	3,403,869	1,669,323	3,754,680	1,560,170	3,121,368	131,428	511,719
Texas.....	50,145	11,341	4,372,874	14,905,364	5,292,704	15,260,703	4,946,835	12,062,783	431,376	2,569,964
Utah.....	4,470	989	410,254	995,762	495,416	1,140,491	471,665	991,939	30,837	119,990
Vermont.....	3,529	888	149,999	344,627	181,363	385,727	167,477	318,388	18,611	60,291
Virginia.....	14,861	3,305	1,724,814	5,066,757	2,106,661	5,661,418	1,985,551	4,879,445	175,147	675,892
Washington.....	11,298	2,396	1,433,173	4,733,788	1,653,472	5,088,156	1,540,789	4,263,455	173,830	675,521
West Virginia.....	7,633	1,410	516,262	1,471,081	635,121	1,710,972	600,469	1,465,725	46,515	210,834
Wisconsin.....	14,705	3,097	1,541,874	4,283,512	1,850,912	4,702,115	1,697,680	4,103,230	181,113	528,307
Wyoming.....	1,467	341	167,691	574,828	193,290	598,802	178,870	479,442	21,515	106,151
APO/FPO.....	—	—	235,246	230,711	279,472	351,444	279,472	341,549	*533	*2,302
Puerto Rico.....	—	—	6,939	24,009	20,301	39,383	20,270	36,122	*136	*1,961
U.S. citizens abroad ^a	—	—	92,911	479,182	92,485	423,531	72,377	259,124	26,039	136,194

Footnote(s) at end of table.

Table 5.4 — Returns With Residential Energy Expenditures: Expenditures by Type and Computation of the Energy Credit, by States

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

State	Number of returns	Number of principal residences	Returns with energy conservation expenditures									
			Total expenditures		Expenditures for insulation		Expenditures for storm windows or doors		Expenditures for caulking		Other current-year conservation expenditures	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
United States, total	4,911,119	4,912,289	4,781,772	3,302,364	2,898,338	1,331,718	2,543,590	1,403,014	1,352,636	100,365	909,482	467,267
Alabama.....	62,518	62,518	61,539	33,387	34,541	12,875	37,093	15,072	12,756	434	7,461	5,006
Alaska.....	10,552	10,552	10,493	6,387	6,524	2,530	4,938	2,547	3,565	214	1,849	1,096
Arizona.....	38,636	38,664	33,097	15,908	20,829	8,869	6,312	2,518	4,629	205	11,175	4,316
Arkansas.....	31,439	31,439	30,285	19,480	15,065	8,172	20,601	10,217	2,745	136	2,577	955
California.....	203,152	203,152	189,823	132,026	147,036	88,581	41,415	25,156	34,784	2,522	40,662	15,767
Colorado.....	85,493	85,697	82,394	55,564	40,540	15,236	46,416	34,968	21,132	1,915	11,617	3,445
Connecticut.....	117,200	117,220	115,248	75,374	80,667	36,382	59,607	26,299	41,814	1,897	26,590	10,796
Delaware.....	15,781	15,781	14,743	8,144	8,519	3,462	8,085	2,510	4,929	193	3,891	1,979
District of Columbia.....	13,595	13,595	13,078	13,805	4,473	2,777	8,844	9,295	3,318	278	2,916	1,455
Florida.....	73,833	73,833	71,770	45,789	36,621	18,286	17,396	13,216	14,494	2,437	32,560	11,851
Georgia.....	75,897	75,897	74,716	41,610	41,493	20,835	47,192	15,065	18,670	1,034	10,508	4,676
Hawaii.....	6,355	6,355	453	322	*334	*79	†	†	—	—	*119	*243
Idaho.....	19,108	19,108	18,586	12,777	12,680	5,930	11,521	6,155	2,706	141	1,673	551
Illinois.....	273,953	273,953	272,302	189,485	159,149	65,162	135,881	62,514	79,826	5,899	57,028	35,911
Indiana.....	112,226	112,226	108,552	66,235	79,825	33,124	51,488	25,776	20,031	569	13,729	6,766
Iowa.....	99,045	99,045	96,075	56,077	65,780	27,361	51,044	26,483	27,289	787	7,374	1,446
Kansas.....	48,499	48,499	46,541	25,473	27,062	13,771	27,763	9,705	14,223	434	6,175	1,564
Kentucky.....	65,645	65,645	62,251	33,758	39,072	12,759	35,933	14,313	13,318	464	7,438	6,222
Louisiana.....	37,199	37,199	34,677	23,555	23,336	14,070	21,281	7,129	8,458	681	4,579	1,675
Maine.....	38,467	38,467	21,174	16,870	26,969	10,590	18,458	7,001	11,681	528	7,643	3,056
Maryland.....	121,452	121,452	119,901	89,559	58,443	25,172	72,707	46,519	35,179	2,405	18,471	15,464
Massachusetts.....	213,567	213,890	211,443	145,254	151,750	66,228	122,266	49,082	83,214	4,080	53,069	25,864
Michigan.....	272,939	273,008	273,609	168,798	177,609	74,121	140,232	77,517	72,002	7,176	50,684	18,795
Minnesota.....	172,064	172,065	167,394	101,128	125,301	50,266	73,252	30,793	60,216	10,271	24,861	9,799
Mississippi.....	24,496	24,496	24,338	17,315	16,870	9,675	14,431	6,237	4,206	324	1,806	1,080
Missouri.....	116,059	116,059	113,504	65,724	72,133	26,822	59,992	33,053	33,719	996	13,592	4,853
Montana.....	20,558	20,558	19,895	9,932	14,186	5,150	7,950	3,317	3,800	148	3,076	1,316
Nebraska.....	41,067	41,067	40,613	25,068	26,105	9,763	20,742	10,283	9,930	427	5,503	4,594
Nevada.....	13,566	13,566	13,148	12,116	8,159	7,139	5,175	3,129	2,204	86	3,561	1,763
New Hampshire.....	29,916	29,916	28,857	19,287	20,571	9,915	14,476	6,141	10,927	431	6,519	2,801
New Jersey.....	268,828	268,828	267,503	194,028	147,054	56,236	153,520	92,459	96,983	8,147	65,622	37,186
New Mexico.....	22,047	22,047	20,469	14,035	13,029	6,478	11,493	6,289	5,431	242	2,479	1,026
New York.....	524,354	524,354	516,030	445,907	288,823	163,752	267,826	169,686	174,781	12,421	147,709	100,048
North Carolina.....	107,936	107,936	104,072	54,845	49,747	24,089	69,768	26,663	19,170	646	14,356	3,447
North Dakota.....	20,790	20,790	18,610	10,561	14,397	7,121	8,179	2,066	4,619	122	2,554	1,252
Ohio.....	254,152	254,152	246,178	162,374	145,737	61,709	140,884	78,360	69,130	2,372	37,979	19,933
Oklahoma.....	68,338	68,827	66,976	38,701	31,234	13,699	49,450	23,036	12,887	442	3,969	1,524
Oregon.....	68,694	68,694	65,960	59,764	36,957	17,856	40,926	36,647	11,068	535	14,695	4,726
Pennsylvania.....	321,688	321,688	313,612	244,138	165,492	64,878	202,642	142,937	101,486	4,731	60,919	31,592
Rhode Island.....	30,254	30,268	30,099	15,820	17,904	6,314	14,341	4,722	10,480	330	7,283	4,455
South Carolina.....	54,235	54,235	52,805	27,634	24,002	12,648	40,180	14,211	9,618	543	*2,876	*232
South Dakota.....	19,893	19,893	19,024	10,325	13,494	6,655	8,625	3,292	3,955	141	1,407	238
Tennessee.....	66,145	66,145	66,002	49,808	43,554	30,810	38,289	15,053	20,962	995	7,608	2,950
Texas.....	161,793	161,815	156,068	125,669	85,386	49,534	73,728	48,316	35,186	13,478	24,831	14,341
Utah.....	35,438	35,438	34,693	19,379	19,939	6,557	19,401	11,317	7,240	201	2,739	1,305
Vermont.....	13,535	13,535	12,860	9,574	9,917	5,808	7,641	2,891	4,266	208	2,193	667
Virginia.....	119,769	119,769	119,475	70,028	69,551	29,491	72,636	35,184	39,320	1,942	15,362	3,411
Washington.....	101,056	101,056	99,315	59,383	59,383	34,067	47,610	22,732	22,732	1,492	24,125	16,519
West Virginia.....	21,556	21,556	21,370	22,799	13,145	6,065	11,939	14,733	2,453	346	*2,177	*1,656
Wisconsin.....	161,139	161,139	156,915	79,364	107,453	35,595	75,210	26,257	41,964	3,613	28,213	13,899
Wyoming.....	12,753	12,753	12,372	10,279	8,249	5,926	5,677	2,937	2,169	91	1,868	1,326
APO/FPO.....	—	—	—	—	—	—	—	—	—	—	—	—
Puerto Rico.....	—	—	—	—	—	—	—	—	—	—	—	—
U.S. citizens abroad.....	2,449	2,449	2,449	3,609	*1,060	*1,328	†	†	*971	*212	*212	*437

Footnote(s) at end of table.

Table 5.4 — Returns With Residential Energy Expenditures: Expenditures by Type and Computation of the Energy Credit, by States — Continued

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

State	Returns with energy conservation expenditures—Continued								Returns with renewable energy source expenditures			
	Maximum allowable energy conservation expenditures		Prior-year energy conservation expenditures		Maximum allowable current-year energy conservation expenditures		Energy conservation credit (before limitation)		Total expenditures		Renewable energy source credit (before limitation)	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
United States, total	4,781,772	2,965,617	1,117,208	559,488	4,781,727	2,916,910	4,781,727	436,782	76,555	190,283	76,555	43,835
Alabama.....	61,539	32,354	9,020	2,951	61,539	32,218	61,539	4,821	*622	*5,044	*622	*1,036
Alaska.....	10,493	5,807	2,333	800	10,493	5,788	10,493	867	*242	*339	*242	*77
Arizona.....	33,097	14,750	7,509	2,312	33,097	14,728	33,097	2,202	7,181	13,592	7,181	3,771
Arkansas.....	30,285	18,972	4,523	2,146	30,285	18,967	30,285	2,838	*843	*802	*843	*235
California.....	189,823	111,291	20,730	9,737	189,788	110,472	189,788	16,555	16,091	35,313	16,091	8,698
Colorado.....	82,394	52,620	18,761	10,976	82,394	52,066	82,394	7,799	2,195	5,557	2,195	1,176
Connecticut.....	115,248	69,023	32,067	14,417	115,248	68,347	115,248	10,227	2,900	4,136	2,900	1,151
Delaware.....	14,743	8,020	4,004	1,741	14,743	7,943	14,743	1,189	*537	*769	*537	*215
District of Columbia.....	13,078	11,363	3,452	2,325	13,078	11,063	13,078	1,657	*200	*87	*200	*25
Florida.....	71,770	40,032	7,827	2,944	71,770	40,015	71,770	5,994	3,855	3,713	3,855	984
Georgia.....	74,716	35,796	15,976	6,184	74,716	35,781	74,716	5,348	*81	*264	*81	*69
Hawaii.....	453	208	—	—	453	208	453	31	5,349	15,375	5,349	3,997
Idaho.....	18,566	10,723	*3,463	1,447	18,566	10,695	18,566	1,601	*448	*577	*448	*161
Illinois.....	272,302	173,240	63,212	30,333	272,302	169,980	272,302	25,459	*1,269	*10,561	*1,269	*2,167
Indiana.....	108,552	61,251	19,459	8,717	108,552	60,567	108,552	9,060	*86	*604	*86	*115
Iowa.....	96,075	52,543	22,033	10,349	96,074	52,274	96,074	7,828	*1,413	*1,565	*1,413	*308
Kansas.....	46,541	23,852	9,515	4,955	46,541	23,864	46,541	3,500	*136	*497	*136	*127
Kentucky.....	62,251	30,337	11,604	4,591	62,251	30,317	62,251	4,537	—	—	—	—
Louisiana.....	34,677	21,478	*3,155	*1,773	34,677	21,478	34,677	3,214	*790	*318	*790	*91
Maine.....	36,836	20,075	11,074	5,134	36,836	19,762	36,836	2,957	1,138	2,143	1,138	614
Maryland.....	119,901	81,600	29,831	14,816	119,901	80,330	119,901	12,033	*951	*1,945	*951	*549
Massachusetts.....	211,443	134,727	68,373	39,206	211,443	129,558	211,443	19,403	2,140	7,383	2,140	1,621
Michigan.....	266,383	164,591	55,682	29,401	266,383	163,287	266,383	24,458	*812	*955	*812	*282
Minnesota.....	167,394	95,673	37,235	14,517	167,394	95,199	167,394	14,240	*2,658	*6,482	*2,658	*1,698
Mississippi.....	24,338	15,103	4,421	2,163	24,338	14,978	24,338	2,248	—	—	—	—
Missouri.....	113,504	56,765	24,586	12,909	113,504	56,267	113,504	8,419	†	†	†	†
Montana.....	19,895	9,538	3,873	1,854	19,895	9,449	19,895	1,414	368	695	368	139
Nebraska.....	40,613	21,782	6,159	2,199	40,613	21,770	40,613	3,256	*178	*753	*178	*180
Nevada.....	13,148	10,396	1,591	581	13,148	10,385	13,148	1,556	486	3,059	486	664
New Hampshire.....	28,857	17,651	9,823	5,358	28,857	17,138	28,857	2,571	513	934	513	240
New Jersey.....	267,503	177,221	71,470	40,372	267,494	171,341	267,494	25,706	*1,168	*2,374	*1,168	*621
New Mexico.....	20,469	12,489	4,437	1,889	20,469	11,847	20,469	1,773	1,949	4,780	1,949	1,227
New York.....	516,030	387,588	147,647	86,214	516,030	378,243	516,030	56,628	5,622	10,505	5,622	2,603
North Carolina.....	104,072	54,579	26,085	9,754	104,072	54,544	104,072	8,153	*121	*546	*121	*133
North Dakota.....	18,610	9,728	3,452	1,258	18,610	9,625	18,610	1,438	*1,055	*3,224	*1,055	*773
Ohio.....	246,178	144,406	75,764	43,249	246,178	142,112	246,178	21,269	*1,970	*2,816	*1,970	*757
Oklahoma.....	66,976	35,891	17,599	7,649	66,976	35,565	66,976	5,322	*33	*206	*33	*43
Oregon.....	65,960	52,290	12,717	6,555	65,960	51,632	65,960	7,740	*1,642	*1,954	*1,642	*561
Pennsylvania.....	313,612	216,172	78,651	37,416	313,612	211,787	313,612	31,719	4,455	28,059	4,455	4,106
Rhode Island.....	30,099	14,509	9,139	5,792	30,099	14,310	30,099	2,141	*126	*288	*126	*72
South Carolina.....	52,805	25,706	8,100	4,085	52,805	25,678	52,805	3,844	*312	*1,330	*312	*300
South Dakota.....	19,024	9,862	4,248	2,131	19,024	9,504	19,024	1,421	*258	*188	*258	*54
Tennessee.....	66,002	42,790	11,487	4,431	66,002	42,695	66,002	6,391	†	†	†	†
Texas.....	156,068	105,911	30,842	13,142	156,068	104,573	156,068	15,651	1,122	837	1,122	209
Utah.....	34,693	18,079	8,852	3,628	34,693	18,017	34,693	2,697	100	144	100	36
Vermont.....	12,860	8,907	3,586	1,880	12,860	8,395	12,860	1,258	326	582	326	161
Virginia.....	119,475	63,878	30,664	13,906	119,475	62,649	119,475	9,375	*347	*4,141	*347	*559
Washington.....	99,315	78,643	20,598	9,879	99,315	76,985	99,315	11,534	*227	*255	*227	*60
West Virginia.....	21,370	18,252	2,395	937	21,370	18,181	21,370	2,723	—	—	—	—
Wisconsin.....	156,915	74,502	35,622	17,613	156,915	72,263	156,915	10,816	*2,149	*4,044	*2,149	*1,059
Wyoming.....	12,372	9,070	2,562	873	12,372	8,966	12,372	1,343	*83	*520	*83	*103
APO/FPO.....	—	—	—	—	—	—	—	—	—	—	—	—
Puerto Rico.....	—	—	—	—	—	—	—	—	—	—	—	—
U.S. citizens abroad.....	2,449	3,584	—	—	2,449	3,584	2,449	537	—	—	—	—

Footnote(s) at end of table.

Table 5.4 — Returns With Residential Energy Expenditures: Expenditures by Type and Computation of the Energy Credit, by States — Continued

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

State	Total current-year residential energy credit (before limitation)		Residential energy credit carryover from 1978		Total available residential energy credit		Income tax before residential energy credit		Credit carried over ³		Credit used to offset income tax before credits	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
United States, total.....	4,833,738	480,597	105,303	18,369	4,911,119	498,967	4,775,308	22,337,860	197,725	25,364	4,775,308	473,603
Alabama.....	62,161	5,856	*357	*22	62,518	5,879	61,052	229,186	1,518	202	61,052	5,676
Alaska.....	10,518	945	*59	*4	10,552	948	10,143	67,161	779	65	10,143	883
Arizona.....	38,219	5,973	2,040	354	38,636	6,327	36,652	177,856	2,158	500	36,652	5,827
Arkansas.....	30,803	3,073	*960	*172	31,439	3,246	29,689	118,715	2,244	224	29,689	3,021
California.....	200,184	25,253	3,950	2,549	203,152	27,801	196,005	1,070,930	12,077	2,839	196,005	24,962
Colorado.....	84,119	8,974	*2,881	*227	85,493	9,202	82,528	335,536	4,759	1,136	82,528	8,065
Connecticut.....	115,968	11,378	*1,681	*341	117,200	11,719	114,989	782,779	*2,211	*226	114,989	11,493
Delaware.....	15,249	1,404	*532	*14	15,781	1,418	15,640	78,164	*142	*5	15,640	1,413
District of Columbia.....	13,078	1,682	*924	*182	13,595	1,863	13,475	85,744	*120	*11	13,475	1,852
Florida.....	73,755	6,978	*78	*23	73,833	7,002	72,243	361,498	1,946	228	72,243	6,773
Georgia.....	74,716	5,417	*1,181	*152	75,897	5,569	74,130	316,543	*1,767	*155	74,130	5,413
Hawaii.....	5,734	4,028	705	585	6,355	4,613	5,062	28,123	1,440	833	5,062	3,779
Idaho.....	18,981	1,761	*208	*22	19,108	1,783	18,189	57,757	1,021	178	18,189	1,605
Illinois.....	272,994	27,626	1,294	283	273,953	27,909	271,174	1,569,487	6,785	746	271,174	27,163
Indiana.....	108,638	9,175	*4,207	*439	112,226	9,614	109,489	511,823	4,343	518	109,489	9,098
Iowa.....	97,418	8,136	*2,012	*134	99,045	8,269	91,557	359,885	8,729	1,381	91,557	6,889
Kansas.....	46,541	3,627	3,275	307	48,499	3,934	45,371	225,573	4,504	436	45,371	3,498
Kentucky.....	62,251	4,537	*3,610	*341	65,645	4,878	63,432	218,518	*3,320	*243	63,432	4,635
Louisiana.....	35,466	3,305	*1,901	*283	37,199	3,588	36,501	156,619	*2,477	*132	36,501	3,455
Maine.....	37,633	3,571	1,347	181	38,467	3,752	37,206	103,111	2,418	325	37,206	3,428
Maryland.....	120,248	12,582	*1,643	*91	121,452	12,673	119,711	663,523	*3,384	*349	119,711	12,324
Massachusetts.....	212,156	21,025	*3,067	*319	213,567	21,344	209,355	952,381	4,212	402	209,355	20,942
Michigan.....	266,556	24,741	6,886	2,386	272,939	27,127	265,467	1,214,843	12,060	955	265,467	26,171
Minnesota.....	170,012	15,938	*3,862	*545	172,064	16,483	162,787	632,745	11,980	1,774	162,787	14,709
Mississippi.....	24,338	2,248	*158	*47	24,496	2,295	24,332	98,496	*346	*36	24,332	2,260
Missouri.....	113,511	8,426	*2,904	*154	116,059	8,580	112,087	534,820	5,043	476	112,087	8,104
Montana.....	20,175	1,553	581	63	20,558	1,616	18,841	60,149	1,809	145	18,841	1,471
Nebraska.....	40,776	3,436	*301	*22	41,067	3,458	37,928	150,346	3,911	337	37,928	3,121
Nevada.....	13,521	2,220	*57	*30	13,566	2,250	13,084	74,179	1,151	214	13,084	2,036
New Hampshire.....	29,033	2,810	*904	*311	29,916	3,121	29,219	130,590	876	102	29,219	3,019
New Jersey.....	268,504	26,326	*1,650	*231	268,828	26,557	267,224	1,324,257	3,225	323	267,224	26,234
New Mexico.....	21,826	3,001	*495	*88	22,047	3,089	21,900	111,293	667	264	21,900	2,824
New York.....	519,034	59,231	7,383	1,260	524,354	60,491	516,901	2,440,130	11,985	1,270	516,901	59,221
North Carolina.....	104,193	8,287	*4,524	*829	107,936	9,116	104,536	411,188	7,102	224	104,536	8,892
North Dakota.....	19,646	2,212	1,475	288	20,790	2,499	19,338	61,483	1,501	356	19,338	2,144
Ohio.....	246,360	22,026	8,950	1,003	254,152	23,029	248,971	1,151,409	7,335	1,195	248,971	21,834
Oklahoma.....	66,998	5,366	1,616	124	68,338	5,489	65,456	316,941	3,123	244	65,456	5,245
Oregon.....	67,311	8,301	*2,330	*263	68,694	8,564	64,045	274,572	*5,280	*621	64,045	7,943
Pennsylvania.....	317,668	35,824	5,678	952	321,688	36,776	313,567	1,345,230	11,965	1,878	313,567	34,898
Rhode Island.....	30,223	2,214	*31	*2	30,254	2,215	30,131	124,698	*213	*17	30,131	2,199
South Carolina.....	52,974	4,144	*1,265	*16	54,235	4,159	54,167	185,004	*228	*15	54,167	4,145
South Dakota.....	19,199	1,475	1,371	158	19,893	1,633	17,248	57,501	3,433	409	17,248	1,224
Tennessee.....	66,003	6,391	*429	*31	66,145	6,422	65,192	282,353	*3,030	*204	65,192	6,218
Texas.....	156,840	15,860	6,497	1,229	161,793	17,089	154,691	868,103	9,670	1,474	154,691	15,615
Utah.....	34,768	2,733	817	103	35,438	2,836	33,722	114,471	2,806	190	33,722	2,646
Vermont.....	13,072	1,419	*553	*93	13,535	1,513	13,358	50,023	280	53	13,358	1,460
Virginia.....	119,748	9,934	*21	*4	119,769	9,937	116,477	552,506	*4,991	*532	116,477	9,405
Washington.....	99,510	11,594	*1,922	*165	101,056	11,759	100,443	477,108	*3,993	*126	100,443	11,633
West Virginia.....	21,370	2,723	*186	*34	21,556	2,757	20,707	95,932	*849	*105	20,707	2,652
Wisconsin.....	158,891	11,876	*3,741	*568	161,139	12,443	155,645	648,063	5,510	436	155,645	12,008
Wyoming.....	12,399	1,447	804	350	12,753	1,797	11,802	62,159	1,009	258	11,802	1,539
APO/FPO.....	—	—	—	—	—	—	—	—	—	—	—	—
Puerto Rico.....	—	—	—	—	—	—	—	—	—	—	—	—
U.S. citizens abroad ²	2,449	537	—	—	2,449	537	2,449	16,354	—	—	2,449	537

¹ Estimate should be used with caution because of the small number of sample returns on which it is based.

² Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

³ Returns filed from Army Post Office and Fleet Post Office addresses.

⁴ Returns filed by U.S. citizens living in U.S. possessions or abroad.

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

Table 5.5 — All Returns: Adjusted Gross Income, Salaries and Wages, Exemptions, and Income Tax, by Size of Adjusted Gross Income and States

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

Table with 16 columns: Size of adjusted gross income, Number of returns, Adjusted gross income less deficit, Salaries and wages (Number of returns, Amount), Total number of exemptions, Number of gross income other than age or blindness, Total income tax (Number of returns, Amount), Number of returns, Adjusted gross income less deficit, Salaries and wages (Number of returns, Amount), Total number of exemptions, Number of gross income other than age or blindness, Total income tax (Number of returns, Amount).

Footnote(s) at end of table.

Table 5.5 — All Returns: Adjusted Gross Income, Salaries and Wages, Exemptions, and Income Tax, by Size of Adjusted Gross Income and States — Continued

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

Table with columns for Size of adjusted gross income, All returns, and Joint returns of husbands and wives. Rows list states (Arkansas, California, Colorado, Connecticut) and various income brackets (Total, Under \$5,000, \$5,000 under \$10,000, etc.).

Footnote(s) at end of table.

Table 5.5 — All Returns: Adjusted Gross Income, Salaries and Wages, Exemptions, and Income Tax, by Size of Adjusted Gross Income and States — Continued

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

Table with 17 columns: Size of adjusted gross income, Number of returns, Adjusted gross income less deficit, Salaries and wages (Number of returns, Amount), Total number of exemptions, Number of exemptions other than age or blindness, Total income tax (Number of returns, Amount), Joint returns of husbands and wives (Number of returns, Adjusted gross income less deficit, Salaries and wages, Total number of exemptions, Number of exemptions other than age or blindness), Total income tax (Number of returns, Amount). Rows include New Mexico, New York, North Carolina, and North Dakota, each with a total row and 11 income brackets.

Footnote(s) at end of table.

Table 5.5 — All Returns: Adjusted Gross Income, Salaries and Wages, Exemptions, and Income Tax, by Size of Adjusted Gross Income and States — Continued

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

Size of adjusted gross income	All returns										Joint returns of husbands and wives				
	Number of returns (1)	Adjusted gross income less deficit (2)	Salaries and wages (3)		Total income tax (6)	Number of exemptions other than age or blindness (6)	Total income tax (7)		Number of returns (9)	Adjusted gross income less deficit (10)	Salaries and wages (11)		Total number of exemptions (13)	Total income tax (15)	
			Number of returns (3)	Amount (4)			Number of returns (7)	Amount (8)			Number of returns (11)	Amount (12)		Number of returns (15)	Amount (16)
APO/FPO¹															
Total	284,408	2,575,391	279,661	2,573,956	570,241	568,651	235,246	230,393	98,340	1,388,723	95,715	1,362,915	345,248	76,903	135,458
Under \$5,000.....	35,331	90,427	33,634	1,07,337	39,591	39,591	*6,170	*1,056	*2,123	*6,267	*2,123	*6,267	*4,246	—	—
\$5,000 under \$10,000.....	175,889	1,182,714	174,191	1,191,911	306,118	304,529	154,502	67,389	40,332	314,363	38,653	316,020	144,550	28,015	4,444
\$10,000 under \$15,000.....	43,016	542,217	42,590	539,729	110,624	110,624	42,401	49,687	28,815	364,068	29,815	363,984	89,295	21,018	27,520
\$15,000 under \$20,000.....	*10,569	*177,388	*10,569	*181,949	*34,401	*34,401	*10,569	*19,871	*7,468	*121,381	*7,468	*122,695	*27,650	*8,466	*11,204
\$20,000 under \$25,000.....	*8,555	*191,544	*32,364	*196,429	*32,364	*32,364	*8,555	*22,960	*8,555	*191,544	*8,555	*196,429	*32,364	*8,555	*22,960
\$25,000 under \$30,000.....	*3,898	*102,063	*2,972	*83,401	*18,345	*18,345	*3,898	*3,898	*3,898	*102,063	*3,898	*102,063	*18,345	*3,898	*14,753
\$30,000 under \$50,000.....	*6,355	*243,265	*6,355	*228,555	*24,631	*24,631	*6,355	*43,299	*6,355	*243,265	*6,355	*228,555	*24,631	*6,355	*43,299
\$50,000 under \$100,000.....	*795	*45,772	—	*44,535	*4,167	*4,167	—	*11,278	*795	*45,772	—	*44,535	*4,167	*795	*11,278
\$100,000 under \$200,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$200,000 under \$500,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$500,000 under \$1,000,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$1,000,000 or more.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	32,638	375,958	20,599	280,895	128,922	118,515	6,939	23,994	28,215	318,509	18,968	289,781	110,173	5,165	13,591
Under \$5,000.....	*10,631	*32,802	*6,530	*26,763	*44,950	*44,950	*6,530	—	*6,530	*30,150	—	*26,763	*40,854	—	—
\$5,000 under \$10,000.....	*8,193	*58,621	*2,048	*14,895	*30,722	*26,626	*14,895	—	*8,193	*58,621	—	*14,895	*26,626	—	—
\$10,000 under \$15,000.....	*3,902	*74,350	*4,816	*83,164	*18,383	*18,383	*3,902	*3,567	*4,816	*61,041	*4,816	*72,070	*17,290	*2,628	*2,907
\$15,000 under \$20,000.....	*4,415	*63,488	*4,415	*63,194	*16,068	*16,068	*601	*456	*3,814	*72,070	*3,814	*72,070	*2,433	*601	*456
\$20,000 under \$25,000.....	*811	*16,806	*811	*16,806	*2,433	*2,433	*811	—	*811	*16,806	*811	*16,806	*2,433	—	—
\$25,000 under \$30,000.....	*812	*20,315	*812	*20,315	*4,060	*4,060	*812	—	*812	*20,315	*812	*20,315	*4,060	—	—
\$30,000 under \$50,000.....	*1,543	*66,850	*674	*39,655	*4,834	*4,834	*1,543	*13,637	*874	*39,147	*874	*39,655	*3,496	*874	*5,983
\$50,000 under \$100,000.....	*294	*17,677	*289	*15,018	*1,115	*1,115	*232	*87	*294	*17,677	*289	*15,018	*1,115	*232	*1,917
\$100,000 under \$200,000.....	*22	*2,822	—	*22	*66	*66	—	—	*22	*2,822	—	*22	*44	—	—
\$200,000 under \$500,000.....	*8	*2,246	*4	*1,080	*30	*30	*8	—	*7	*1,746	*4	*1,080	*22	*7	*808
\$500,000 under \$1,000,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$1,000,000 or more.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	150,220	3,577,713	124,938	3,739,473	381,843	359,414	85,060	471,047	77,791	2,611,697	68,606	2,675,338	264,795	51,563	322,484
Under \$5,000.....	38,881	60,159	27,539	145,122	79,371	71,404	*4,676	*255	9,820	7,284	7,960	94,509	28,224	—	—
\$5,000 under \$10,000.....	25,596	180,923	17,646	156,365	63,783	55,834	13,509	6,846	*8,883	*62,284	*5,703	*57,186	*31,170	*3,448	*254
\$10,000 under \$15,000.....	13,407	187,782	13,407	187,643	27,571	27,571	*5,263	—	*3,072	*33,506	*3,072	*33,506	*9,711	*3,071	*596
\$15,000 under \$20,000.....	16,877	286,302	15,684	301,736	36,003	36,003	11,176	19,607	11,336	188,914	11,336	218,190	30,462	*8,829	*8,383
\$20,000 under \$25,000.....	14,677	322,710	12,357	307,897	45,409	41,816	12,057	28,738	12,284	269,668	10,430	285,167	39,423	10,591	23,996
\$25,000 under \$30,000.....	4,076	110,228	*3,149	*91,616	15,743	14,816	*3,870	*9,052	*4,075	*110,202	*3,148	*91,791	*15,739	*3,870	*9,052
\$30,000 under \$50,000.....	18,354	694,182	17,570	829,477	50,340	49,574	14,780	90,610	13,550	518,628	12,766	648,808	44,770	10,948	66,172
\$50,000 under \$100,000.....	13,084	916,721	12,815	1,030,708	43,709	43,094	11,382	135,115	10,126	723,089	9,947	824,410	38,735	8,468	81,317
\$100,000 under \$200,000.....	4,852	598,408	4,241	545,660	17,774	17,291	4,306	103,367	4,140	529,823	3,782	503,572	16,105	3,856	88,133
\$200,000 under \$500,000.....	50	154,296	486	114,197	1,939	1,827	530	34,465	458	127,353	415	98,252	1,713	439	30,054
\$500,000 under \$1,000,000.....	50	34,179	36	16,723	163	152	46	9,134	40	26,790	31	14,588	148	37	7,245
\$1,000,000 or more.....	14	47,823	8	2,117	38	32	13	28,596	7	14,147	6	1,911	20	8	7,282

*Estimate should be used with caution because of the small number of sample returns on which it is based.
¹Data combined to avoid disclosure of information for specific taxpayers.
²Returns filed from Army Post Office and Fleet Post Office addresses.
³Returns filed by U.S. citizens living in U.S. possessions or abroad.
 NOTE: Detail may not add to total because of rounding.

Explanations of terms are designed to aid the user in interpreting the statistical content of this report and should not be construed as interpretations of the Internal Revenue Code or related regulations, procedures, or policies. Code sections cited were those in effect for 1979; Section 9, 1979 Forms and Instructions, provides further information about many of the items in this report. Where appropriate, a cross reference is provided to additional explanatory material found in sections 1 through 5. The terms used in section 8 differ substantially from those used in other sections, and are defined separately in that section.

Accelerated Depreciation on Leased Personal Property

See "Tax Preferences."

Accelerated Depreciation on Low-Income Rental Housing

See "Tax Preferences."

Accelerated Depreciation on Other Real Property

See "Tax Preferences."

Additional First-Year Depreciation

See "Partnership Net Profit or Loss."

Additional Tax for Tax Preferences

The sum of "Minimum tax" and "Alternative minimum tax." Both terms are explained below.

Adjusted Gross Income

This amount was the result of reducing gross income from all sources subject to tax by adjustments such as the following:

- (1) ordinary and necessary expenses of operating a trade or business,
- (2) employee business and moving expenses,
- (3) expense deductions attributable to rents and royalties,
- (4) expenses of outside salesmen attributable to earning a salary, commission, or other compensation,
- (5) depreciation and depletion allowed life tenants and income beneficiaries of property held in trust,
- (6) exclusion of allowable "disability income" if the disability income was included in gross salary,
- (7) deductible losses from sales of capital assets and other property,
- (8) deductible portion of the excess of net long-term capital gain over net short-term capital loss,
- (9) excludable portion of qualified dividends (up to \$100 per taxpayer),
- (10) business net operating loss deduction,

(11) contributions to a self-employed retirement fund ("Keogh Plan") by the self-employed, and to individual retirement arrangements by employees or self-employed persons,

(12) forfeited interest penalties, incurred by persons who made premature withdrawals of funds from time savings accounts,

(13) alimony payments,

(14) exclusion of the ordinary income portion (in contrast to the amount treated as long-term capital gain) of the taxable amount of a lump-sum distribution from a qualified pension or retirement plan, taxed separately from other sources of income at the taxpayer's election, and

(15) deductions for certain excess costs of living abroad.

A deficit occurred when the allowable deductions or losses exceeded gross income.

Adjustments

See "Statutory Adjustments."

Age 65 or Over

The presence of the additional exemption allowed taxpayers age 65 or over was used as the basis of this classification. In the case of joint returns of husbands and wives, some had only one additional exemption for age 65 or over while others had two additional exemptions for age, indicating that both husband and wife were age 65 or more. Whether one or two exemptions were claimed, the return was considered as a return of a taxpayer age 65 or over. (See also section 4, Taxpayers Age 65 or Over.)

Alimony

Payments received as alimony or separate maintenance were income to the person receiving them and an adjustment to gross income for the person paying them if the payments were:

- (1) required under the terms of a decree of divorce or separation or a written instrument incident to that decree;
- (2) paid in discharge of a legal obligation based on the marital relationship;
- (3) paid after the decree and on a periodic basis.

All Other Taxes

For purposes of this report, this amount represents the sum of the self-employment tax, tax from recomputing prior-year investment credit, social security taxes on tip income, any penalty taxes on individual retirement arrangements (IRA's), and any other unspecified taxes. This was in contrast to the "other taxes" portion of the Form 1040 itself, which was composed of the taxes listed above plus the minimum and alternative minimum taxes and the advance

earned income credit payments received. The minimum and alternative minimum taxes are tabulated in this report as part of "total income tax" and serve as part of the requirements for determining the taxable or nontaxable classification of a return. Advance earned income credit payments are shown as a separate item in computing balance due or refund. (See also "Taxable and Nontaxable Returns" and "Total Income Tax" in this section.)

Alternative Minimum Tax

This was a tax on the sum of alternative tax preferences (explained below) and taxable income, reduced by the zero bracket amount. For 1979, four graduated rates (from 0 percent to 25 percent) were applied to this sum. The result was then reduced by income tax after credits, the minimum tax, and taxes from recomputing prior year investment and work-incentive credits. (For more details, see section 3, Tax Computation and Tax Rates.)

Alternative Tax Preferences

This item consisted of the itemized deductions tax preference and the capital gains tax preference. It was used in the computation of the alternative minimum tax.

The itemized deductions tax preference was computed by reducing total itemized deductions by deductions for medical and dental expenses, deductions for taxes, and deductions for casualty and theft losses. Adjusted gross income was then reduced by the same three deduction items. The extent by which the reduced itemized deductions exceeded 60 percent of the reduced adjusted gross income was considered an itemized deduction tax preference.

The capital gains deduction was that portion (generally 60 percent) of the excess of net long-term capital gains over net short-term capital losses which was excluded from adjusted gross income. See also "Sales of Capital Assets" below.

Amortization of Child Care Facilities

See "Tax Preferences."

Amortization of On-the-Job Training Facilities

See "Tax Preferences."

Amortization of Pollution Control Facilities

See "Tax Preferences."

Amortization of Railroad Rolling Stock

See "Tax Preferences."

Bad Debt Reserves

See "Tax Preferences."

Balance Due After Remittance

This amount was the difference between "tax due at time of filing" and the remittance tendered by the taxpayer with the return ("tax paid with return").

Blindness Exemptions

See "Exemptions."

Business Energy Investment Credit

The Energy Tax Act of 1978 provided for an additional 10 percent investment credit for business energy property acquired and placed into service or constructed after September 30, 1978. Property eligible for the energy investment credit had to have a useful life of 3 years or more and had to fall into one of the six following categories: (1) alternative energy property, (2) solar or wind energy property, (3) specifically defined energy property, (4) recycling equipment, (5) shale oil equipment, or (6) equipment for producing natural gas from geo-pressured brine. Each of these types of property was further defined by the Act. In addition, the Act specified that, in certain situations, property eligible for the energy investment credit did not qualify for the regular investment credit.

Under the law, two separate parts of the business energy investment credit were distinguished—one for solar and wind property and the other for the remaining five categories of qualifying property. For all categories of the business energy property other than solar and wind property, the credit was 10 percent of the investment in the energy property. This amount was then added to any credit computed for regular investment credit purposes and, as such, could only be used to reduce "income tax before credits." This amount is shown in the statistics as "business energy investment credit, nonrefundable portion." For solar and wind property, the credit was again 10 percent of the investment. However, this portion was not included in the regular investment credit, but rather was treated as a taxpayment used to reduce "total tax liability," which could be refunded to the taxpayer. This amount is shown in the statistics as "business energy investment credit, refundable portion." (See also section 3, Tax Computation and Tax Rates.)

Additional information on the business energy investment credit will be available from Statistics of Income--1979/1980, Sole Proprietorship Returns.

Business or Profession Net Profit or Loss

This source of income was reported by individuals who were sole proprietors of a nonfarm business or self-employed members of a profession. When there were two or more sole proprietorships operated by the same taxpayer(s), the single amount of profit or loss included in adjusted gross income represented the combined profit and loss from all business activities. The proprietor was required to exclude investment income from business profits and to include it, instead, with the various types of investment income for which separate provision was made on the individual income tax return.

Business costs and expenses were deductible from gross receipts or gross sales in arriving at net profit or loss. Compensation of the proprietor was taxable income and, therefore, not allowed as a business deduction in computing net profit. The deduction of net operating losses from other years was not considered a business expense, but was offset, instead, against "other income" on the proprietor's income tax return.

Information on business receipts and expenditures can be found in Statistics of Income--1979/1980, Sole Proprietorship Returns.

Capital Assets

See "Sales of Capital Assets."

Capital Gain Distributions Reported on Form 1040

These distributions included the following:

(1) Long-term capital gains credited or distributed to individual taxpayers by regulated investment companies (mutual funds). Gains credited but not distributed were reported as income, but the taxpayer was also credited with the amount of tax paid on the gains by the regulated investment company (mutual fund);

(2) Long-term capital gains distributed by real estate investment trusts.

Normally, taxpayers would have reported these distributions on the supporting schedule used for this type of income (Schedule D, Capital Gains and Losses). However, if the taxpayers did not need Schedule D to report any other gains or losses, they then entered 40 percent of the capital gain distributions directly on line 15, page 1 of Form 1040.

For purposes of this report, "capital gain distributions reported on Form 1040" are tabulated as part of "sales of capital assets" and are reflected in the long-term capital gain and loss and net capital gain and loss data. (See also "Sales of Capital Assets" in this section.)

Capital Gain Distributions Reported on Schedule B

To the extent that the taxpayer received more than \$400 in dividends and other distributions, he or she was to fill in a Schedule B-Interest and Dividend Income, and show separately the capital gain distributions carried either to Schedule D or the Form 1040. See also "Capital Gain Distributions Reported on Form 1040."

Capital Gains and Losses

See "Sales of Capital Assets."

Capital Gains Tax Preference

See "Alternative Tax Preferences."

Capital Loss Carryover

See "Sales of Capital Assets."

Carryover from Prior Years Deduction

See "Contributions Deduction."

Cash Contributions Deduction

See "Contributions Deduction."

Casualty and Theft Loss, Net

Personal casualty and theft losses not compensated for by insurance were deductible from adjusted gross income to the extent that the loss for each casualty or theft exceeded \$100. A casualty was defined as complete or partial destruction of property resulting from an identifiable event of a sudden, unexpected, or unusual nature. While this deduction is shown separately in this report, it is also tabulated as a part of "miscellaneous deductions."

Child Care Credit

This credit was claimed by taxpayers who incurred expenses for the care of dependent children under age 15 (or other dependents or spouses who were disabled) while these taxpayers were working. Qualifying expenses included both those for services performed

within the home (such as for babysitters, maids, and cooks) and, in the case of children under age 15, services outside the home, such as those performed by day-care centers or nursery schools.

The actual credit equalled 20 percent of the smallest of the following three amounts:

(1) total qualifying expenses, as described above;

(2) earned income while these expenses were being incurred; for this purpose, "earned income" meant salaries, wages, tips, and other employee compensation plus net earnings from self-employment. In the case of a married couple, neither of whom was disabled, the lower of the two earned incomes had to be used; couples with only one earned income, or who did not file a joint return, did not qualify for the credit unless one spouse was a full time student at an educational institution during each of 5 calendar months during the tax year;

(3) \$2,000 (\$4,000 if the expenses incurred were for care of two or more qualifying dependents).

The child care credit was not refundable and was limited to income tax before credits minus the credit for the elderly, foreign tax credit, investment credit, work incentive (WIN) credit, and political contributions credit.

Contributions Deduction

Contributions deductible from adjusted gross income were gifts, in the form of cash or property ("other than cash" contributions), to (a) organizations created in the United States or its possessions, or under its laws, and operated for religious, charitable, scientific, literary, or educational purposes exclusively, or for the prevention of cruelty to children or animals, (b) veterans' organizations, and (c) governmental agencies which used the gifts for public purposes. Individuals who were members of a partnership also included their pro-rata share of partnership contributions.

In general, a deduction was allowed for all contributions up to 50 percent of adjusted gross income, with the exception of contributions to private non-operating foundations which were subject to a 20 percent limitation. However, contributions of certain capital assets which had appreciated in value were subject to a 30 percent limitation unless the taxpayer elected to take the unrealized appreciation into account for tax purposes by reducing the contribution deduction by 50 percent of the potential long-term capital gain on a sale of the property. Contributions exceeding the 50 (or 30) percent limitation could be carried over to be deducted in the next 5 years. (Contributions subject to the 20 percent rule could not be carried over.) Therefore, in addition to contributions made in 1979, the statistics also include amounts carried over from 1974-1978 that were within the current year's percentage limitations.

Credit Card Interest Deduction

See "Interest Paid Deduction."

Credit for Tax on Certain Gasoline, Fuel, and Oil

This was a credit allowed in full or in stated amounts by section 39 of the Internal Revenue Code for excise taxes paid on: (1) gasoline used on farms for farming purposes, (2) gasoline used for nonhighway purposes or by local transit systems, (3) lubricating oil used for nonhighway purposes, and (4) specified fuels which were either used for certain purposes other than the purpose for which they were sold, or resold during the taxable year. These taxes could be applied as a credit to reduce the income tax liability when the return was filed (with any amount

in excess of the tax liability refunded) or refunded during the taxable year if the credit for any fuel category or any lubricating oil in any of the first three quarters of the year was at least \$1,000.

Credit for the Elderly

The credit for the elderly was available to all taxpayers age 65 or over (within certain income limitations) and to those taxpayers under age 65 who received a taxable pension or annuity from a public retirement system (also within certain income limitations). The credit equalled 15 percent of the taxpayer's income, the amount of which was determined under one set of rules for taxpayers age 65 or over and under another set of rules for government retirees under age 65. A governmental retiree (under age 65) whose spouse was 65 or older could use whichever set of rules resulted in the larger credit.

Credit from Regulated Investment Companies

The taxpayer was instructed to include in gross income any amounts which were allocated to him or her as capital gain dividends, even if they were not actually received. If the investment company paid a tax on the capital gain, the taxpayer was entitled to claim a refundable credit for his or her proportionate share of the tax.

Credit on 1980 Estimated Tax

This credit was part of the overpayment on 1979 tax which taxpayers specifically requested to be credited to their estimated tax for 1980. (See also "Overpayment" in this section.)

Deduction for Expense of Living Abroad

In order to give U.S. citizens living and working abroad equitable tax treatment with those individuals working in the United States, a statutory adjustment to gross income for an employee's excess cost of living abroad was provided for by the Foreign Earned Income Act of 1978. The deduction was limited, in general, to the individual's earned income from sources outside the United States. The amount of the deduction was the sum of the following qualified amounts: (1) cost-of-living differential, (2) housing expenses, (3) schooling expenses, (4) home leave travel expenses, (5) a limited hardship area deduction, and (6) in certain instances, maintenance for a separate household. (See also "Income Earned Abroad" in this section and in section 1, Returns Filed and Sources of Income.)

Dependent Exemptions

See "Exemptions."

Depletion

See "Tax Preferences."

Disability Income Exclusion

The disability income exclusion was available only to taxpayers who retired on disability before age 65, who had not reached age 65 before the close of the taxable year, and who were totally and permanently disabled upon retirement. The maximum exclusion was figured at a weekly rate of \$100. However, if the taxpayer's adjusted gross income, before this exclusion, exceeded \$15,000, the excess reduced the amount of the exclusion dollar-for-dollar. Thus, the exclusion was eliminated entirely for taxpayers whose adjusted gross incomes exceeded \$20,200 (\$25,400 in the case of a married couple filing jointly, where both spouses were eligible for the exclusion).

Dividend Exclusion

A taxpayer could exclude up to \$100 of eligible dividends from adjusted gross income. On joint returns, the maximum exclusion was \$200 if both husband and wife received eligible dividends, each excluding up to \$100 against their respective dividend income. For an explanation of eligible dividends, see "Domestic and Foreign Dividends Received" in this section.

Dividends and Other Distributions Received

This amount represented the sum of domestic and foreign dividends and, to the extent reported on Schedule B, capital gain distributions and nontaxable distributions.

Dividends in Adjusted Gross Income

Total domestic and foreign dividends less the dividend exclusion equalled dividends in adjusted gross income. (See also "Domestic and Foreign Dividends Received" and "Dividend Exclusion" in this section.)

Domestic and Foreign Dividends Received

Domestic and foreign dividends received consisted of:

(1) dividends eligible for the dividend exclusion, which were dividends received from domestic corporations, either directly or indirectly (e.g., as a beneficiary of income from estates or trusts, or as a partner for his or her distributive share of partnership profits); and

(2) dividends not eligible for the dividend exclusion, which were dividends received from foreign corporations, tax-exempt farmers' cooperatives, real estate investment trusts, and corporations most of whose business was conducted in U.S. possessions.

Domestic and foreign dividends did not include capital gain distributions from regulated investment companies and real estate investment trusts, nontaxable distributions of stock or stock rights, returns of capital, or liquidation distributions. Taxpayers were also instructed to exclude so-called dividends on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions, and patronage dividends declared by farmers' cooperatives and other cooperative organizations.

Earned Income Credit

The Tax Reduction Act of 1975 provided for an "earned income credit," available for Tax Year 1975 to low-income workers who maintained a household and had dependent children whom they claimed as exemptions. This credit was based on earned income, consisting of wages, salaries, and other employee compensation, plus net earnings from self-employment, and was intended to offset the impact of social security taxes on low-income individuals and to encourage them to obtain employment. The Tax Reform Act of 1976 subsequently continued the earned income credit for Tax Years 1976 and 1977 and liberalized the requirements for claiming the credit. The Tax Reduction and Simplification Act of 1977 extended the earned income credit through taxable years ending in 1978. The Revenue Act of 1978 made the credit a permanent feature of the tax law and also increased the amount of the credit.

The maximum credit was 10 percent of the first \$5,000 of earned income, or \$500, and was reduced by an amount equal to 12.5 percent of the taxpayer's adjusted gross income or earned income, whichever was larger, above \$6,000. Thus, at the \$10,000 adjusted gross income level (or earned income level) the credit was eliminated.

Taxpayers who met the following five conditions were eligible to claim the earned income credit if they:

- (1) had less than \$10,000 of adjusted gross income or earned income, whichever was larger,
- (2) maintained a household which was the principal place of abode for the taxpayer and either a child who was under 19 years of age or was a full-time student, or a dependent child who was disabled,
- (3) were not entitled to exclude from gross income any amount of income earned from sources outside the United States or from sources within U.S. possessions,
- (4) had a taxable year that represented a full 12 months, and
- (5) filed a joint return if married.

The earned income credit was unique in that it could result in a refund to the extent it was not used to offset the income tax liability. Thus, even if an individual was not otherwise required to file a return, it was to his or her benefit to do so and to claim the earned income credit. For purposes of this report, the earned income credit was divided into three parts: that used to offset income tax before credits (limited to the amount needed to reduce income tax after credits to zero); that used to offset all other taxes (limited to the amount needed to reduce total tax liability to zero); and the refundable portion.

Employee Business Expenses

An employee was allowed a deduction in arriving at adjusted gross income for business expenses incurred in connection with any employment. This deduction was reported as an "adjustment" to income on the tax return and should be distinguished from employee expenses includable in "miscellaneous deductions," an itemized deduction from adjusted gross income. Expenses which qualified for the adjustment included:

- (1) cost of travel, meals, and lodging while away from home in the performance of service as an employee,
- (2) any other expenses to the extent covered by a reimbursement or expense allowance arrangement with the employer,
- (3) business transportation costs, other than commuting, and
- (4) outside salespersons' expenses of soliciting business for the employer.

If employees accounted for deductible expenses to their employers, they were not required to report the reimbursement in income, except for any amount of reimbursement in excess of expenses.

Certain expenses of employees, such as work clothes, union dues, and employment agency fees, were not deductible in the computation of adjusted gross income, but were deductible as itemized deductions in the computation of taxable income. These expenses were included in "miscellaneous itemized deductions."

Estate or Trust Net Income or Loss

This was the beneficiaries' share of fiduciary income (with the exception of the items described below which were reported separately) from any estate or trust. Income from estates or trusts included amounts required to be distributed and amounts credited to beneficiaries' accounts from current-year fiduciary income, whether or not actually received.

Also included was the beneficiaries' share of any accumulation distribution made in the current year by the fiduciary of a complex trust for income accumulated in prior tax years. Beneficiaries' share of these distributions was reduced by their share of depletion and depreciation deductions before reporting the net amount as part of adjusted gross income.

Taxpayers excluded from estate or trust income their share of dividends and gains or losses from sales of capital assets and other property. Such income (which made up the largest portion of income from an estate or trust) was included on the tax return on the separate lines provided for these income types and was not identified for the statistics. A loss from an estate or trust was allocated to the beneficiary only upon settlement or termination of an estate or trust which, for its last tax year, (a) still had a net operating loss carryover or a capital loss carryover, or (b) had deductions (other than those for exemptions and charitable contributions) in excess of gross income.

Data shown for 1979 include the number of returns showing just net income received from all estates or trusts and the number showing just the net loss from all estates or trusts. In other words, if a return showed net income from one estate or trust, and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labelled "net income" and "net loss" represent, as they do annually, the sum of all income and loss reported from all estates or trusts, i.e., the net amount, on a return-by-return basis.

Additional information on estate or trust income can be found for selected years in Statistics of Income—Fiduciary Income Tax Returns.

Estimated Tax Payments

These payments, summarized on the individual income tax return, were paid quarterly based on the 1979 Declaration of Estimated Income Tax, Form 1040ES. The amount reported included any credit which was applied against the estimated tax by reason of an overpayment of the 1978 tax liability.

Excess Itemized Deductions

This deduction concept represented the amount by which total itemized deductions exceeded the zero bracket amount. (See also "Form of Deduction," "Total Itemized Deductions," and "Zero Bracket Amount" in this section and "Itemized Deductions" in section 2, Deductions and Exemptions.)

Excess Social Security Taxes Withheld

For 1979, if the total social security (FICA) tax withheld was greater than \$1,403.77 because an employee worked for more than one employer, the excess could be taken as a credit toward payment of an employee's income tax. Any amount in excess of tax liability was refundable. In the case of a joint return, the credit was computed separately for each taxpayer.

Exemptions

In the computation of taxable income, a \$1,000 deduction was allowed for each exemption claimed.

An exemption was allowed for each taxpayer shown on a return (on joint returns, husband and wife were each regarded as a taxpayer). If either husband or wife filed a separate return, the spouse's exemption could be claimed on that return only if that spouse did not file a return, had no gross income, and was not the dependent of another taxpayer. Additional exemptions were allowed for the taxpayer or spouse who indicated either being age 65 or over or blind, or both.

Exemptions were also allowed for qualified dependents. In general, an individual qualified as a dependent if that person had gross income less than \$1,000 (\$1,000 or more if in category (2) below), received more than half his or her support from the

taxpayer, was related to the taxpayer (such as a son, daughter, or parent), or lived in the taxpayer's home as a member of the household for the whole year.

The total number of exemptions shown in this report includes some duplication. This occurred in the case of:

(1) dependents other than children who had gross income less than \$1,000, but filed a return to obtain a refund of tax withheld on wages,

(2) dependent children with unearned income of \$1,000 or more (dividends, interest, capital gains, and the like), and

(3) dependent children under 19 years of age or students regardless of age who either (a) were required to file a return because their gross income was \$3,300 or more, or (b) had gross income of less than \$3,300, all of it earned income, and filed a return only to obtain a refund of tax withheld on wages.

In each of these instances individuals were counted twice, as taxpayers filing their own returns and as dependents on another taxpayer's return. (See also section 2, Deductions and Exemptions.)

Exclusion (Minimum Tax)

See "Tax Preferences Subject to Tax."

Farm Net Profit or Loss

This source of income was reported by individuals who were sole proprietors of a farm. When there were two or more farms operated by the same taxpayer, the single amount of profit or loss included in adjusted gross income represented the combined profit and loss from all farming activities.

Farm business costs and expenses were deductible from farm gross business receipts in arriving at farm net profit or loss. Excluded from farm net profit or loss were gains from certain sales of livestock and crops which qualified for capital gains treatment, as well as farm rental income. Gains from sales of livestock (other than poultry) qualified for capital gains treatment if the livestock had been held for 12 months or more (in the case of cattle or horses acquired after 1969, for 24 months or more), as long as livestock were held for breeding, dairying, or sporting purposes. Gains from sales of unharvested crops, when sold with the land on which they were growing, qualified for capital gains treatment if the land had been held for 12 months or more. For taxation purposes (and for purposes of this report), these types of income were included in long-term capital gains. On the other hand, farm rental income—that based on crops or livestock produced solely by the tenant, without material participation of the landowner or sublessor in the operation or management of the farm—was included in rents net income or loss.

Additional information on farm receipts and expenditures can be found in Statistics of Income—1979/1980 Sole Proprietorship Returns.

Foreign Tax Credit

A credit against income tax was permitted for foreign taxes paid. The credit was for the income and profits taxes paid to foreign countries or U.S. possessions and included the taxpayer's share of such taxes paid through partnerships and fiduciaries.

In general, the tax credit was limited to the same proportion of the income tax before credits as the taxable income from foreign sources bore to the entire taxable income, but could not exceed the foreign taxes paid. In addition, the credit was further limited to income tax before credits minus the credit for the elderly. Amounts in excess of this limita-

tion could be applied against the alternative minimum tax. The remainder could be carried back 2 years and then forward 5 years for use in computing the credit for these years.

Additional information can be found in the Supplemental Report, Statistics of Income—1976-1979, International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns.

Forfeited Interest Penalty Adjustment

Taxpayers who had paid penalties for the premature withdrawal of funds from time savings accounts could deduct these penalties as an adjustment to gross income. This allowed taxpayers who used the zero bracket amount only (i.e., standard deduction) to take advantage of this reduction of income.

Form of Deduction

For purposes of this classification, returns were categorized into one of three groups: those with nonbusiness itemized deductions, those with a zero bracket amount only (known as standard deduction returns for 1976 and prior years), and those with no deductions. For a return to fall into either of the first two groups, there had to be positive adjusted gross income and in the case of the zero bracket amount only returns, adjusted gross income had to exceed the exemption amount. The reason adjusted gross income had to exceed the exemption amount was that the exemption amount was subtracted from adjusted gross income first, before the zero bracket amount; the zero bracket amount, no longer a deduction from adjusted gross income, was actually the first portion of taxable income, the amount "taxed" at the first, or zero percent, tax rate. Returns in the third group, those with neither itemized deductions nor zero bracket amount only, were either (1) deficit or "breakeven" returns, since there was no income from which to subtract any deductions, or (2) returns with no itemized deductions and with adjusted gross income less than the exemption amount. (See also section 2, Deductions and Exemptions.)

Fully Taxable Pensions and Annuities

See "Pensions and Annuities."

Fully Taxable Pensions and Annuities Reported on Form 1040

See "Pensions and Annuities."

General Sales Taxes Deduction

See "Taxes Paid Deduction."

Heads of Households, Returns of

These returns were filed by "unmarried" persons who furnished over half the cost of maintaining a household for the entire year for at least one qualifying relative. Unmarried persons, for purposes of this classification, were defined as single persons, married persons legally separated, certain married individuals living apart but not legally separated, or persons married to nonresident aliens. "Qualifying" relatives, such as children, parents, brothers, and sisters, generally had to qualify as the taxpayer's dependents and had to actually live with the taxpayer. There were two exceptions to this rule. Parents of the taxpayer had to be dependents, but did not have to live in the same household; children of the taxpayer did not have to be dependents, but did have to reside in the same household as the taxpayer.

A special tax rate schedule was provided for heads of households which gave approximately half the benefit of the joint return schedule.

Home Mortgage Interest Deduction

See "Interest Paid Deduction."

Income Averaging

The standard income averaging computation permitted a part of an unusually large amount of taxable income for any one year to be taxed at lower rates, thus resulting in a lower amount of tax due than would have resulted if the taxpayers had computed their tax using the regular tax computation method. An eligible individual could choose this computation if the "averageable income" for the year was more than \$3,000.

"Averageable income" was the amount by which "adjusted taxable income" exceeded 120 percent of the average "base period income" (the average of taxable income, with certain other adjustments, for the 4 preceding tax years). Briefly, the income averaging computation operated to tax all averageable income at the same rate which applied to the first one-fifth of such income. "Adjusted taxable income" (taxable income for the computation year), from which the averageable income was derived, covered all income except "excess community property income" and certain amounts received by owner employees (see the instructions for Schedule G in section 9, 1979 Forms and Instructions, for definitions). "Base period income" included taxable income and income earned outside the United States or within U.S. possessions which had been excluded from taxation under sections 911 and 931 of the Internal Revenue Code.

Income Earned Abroad

A U.S. citizen who was a bona fide resident of a foreign country could choose one of two methods to reduce U.S. taxable income. Both methods were related to earned income received by the taxpayer while living abroad. (See also section 1, Returns Filed and Sources of Income.)

The first method involved the use of an adjustment to gross income for certain expenses incurred while living abroad. The second method allowed a taxpayer who resided in a "camp" established by an employer in a "hardship" area to exclude up to \$20,000 of earned income from gross income. A taxpayer who lived in a camp for the entire year could use the full exclusion amount; otherwise, the amount was determined on a prorated basis according to the number of days during the year in which the taxpayer lived in the camp.

Earned income was defined as wages, salaries, professional fees, and other compensation for personal services actually rendered. It did not include dividends, capital gains, or interest. Earned income paid to U.S. citizens by the U.S. Government was not tax-exempt, nor were pensions or annuities tax-exempt if attributable to employer contributions made for services rendered outside the United States.

Additional information can be found in the Supplemental Report, Statistics of Income--1976-1979, International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns.

Income Subject to Tax

For taxpayers using the regular or maximum tax computation methods, income subject to tax was the same as taxable income (adjusted gross income less the personal exemption amount and excess itemized deductions). For taxpayers using the income averaging method, income subject to tax was a reduced amount of taxable income especially computed for the statistics by working backward from the tax itself. (See also section 3, Tax Computation and Tax Rates.)

Income Tax After Credits

Income tax after credits was equal to "income tax before credits" minus the credit for the elderly, investment credit, foreign tax credit, work incentive (WIN) credit, political contributions credit, jobs credit, child care credit, residential energy credit, other tax credits (as defined herein), and, for purposes of this report, to the extent that it did not result in a negative amount, the earned income credit. The portion of the earned income credit which did not result in a negative amount is tabulated as "earned income credit used to offset income tax before credits."

Income Tax Before Credits

This amount consisted of two components: "tax generated" and "taxes from special computations." Generally, "tax generated" was the tax liability computed on current year "tax table income" or "taxable income" based on:

- (1) the regular tax, whether derived from the tax tables or tax rate schedules,
- (2) the income averaging tax, or
- (3) the maximum tax on personal service income.

"Taxes from special computations" generally were related either to prior-year income or to income that had been excluded from adjusted gross income. As a result, it was possible for a taxpayer to have "income tax before credits" without having "taxable income" (or "tax table income").

Income Tax Withheld

Tax withheld included amounts deducted from salaries, wages, tips, and other forms of remuneration. An employer could use either the "percentage" or "wage bracket" method, both of which were based on graduated rates ranging from 14 to 36 percent, or any of the alternative methods permitted by the Internal Revenue Service in determining the amount to be withheld.

In addition to income tax withheld on salaries, as reported on Form W-2, tax withheld from pensions and annuities, as reported on Form W-2P, was included in this amount. Beginning with Tax Year 1977, tax withheld on certain gambling winnings, as reported on Form W-2G, was also included.

Individual Retirement Arrangement

For taxable years beginning after December 31, 1974, an individual who was not covered by a qualified private or governmental retirement plan was able to set up an individual retirement arrangement (IRA) (a) at a bank or other qualified financial institution, (b) by investing directly in individual annuity contracts issued by an insurance company, or (c) by investing in special retirement bonds issued by the Federal Government. Contributions to such a plan, which were limited to the lesser of \$1,500 or 15 percent of the individual's earned income (wages, salaries, and net earnings from self-employment), could be deducted from the employee's gross income arriving at adjusted gross income. Taxpayers could not start withdrawing funds from the account until they reached age 59-1/2 and had to start doing so upon reaching age 70-1/2. Penalty taxes were assessed in the event the taxpayer failed to comply with these limitations.

The Tax Reform Act of 1976 provided for the establishment of an IRA (separate from that of the working spouse) for a nonworking spouse, effective for 1977. The total deduction from gross income in this instance was limited to the smallest of (a) \$1,750, (b) 15 percent of the working spouse's earned income, or (c) twice the smaller amount contributed to either spouse's IRA (thus making it advantageous to contribute the same amount to each IRA).

Intangible Drilling Costs

See "Tax Preferences."

Interest Paid Deduction

Interest paid on personal debts, credit cards, mortgages, bank loans, and installment purchases of real or personal property was deductible, but interest paid on money borrowed to buy tax-exempt securities or single premium life insurance and endowment contracts was not. The amounts deductible as an interest expense included "investment interest" (that amount paid or accrued on indebtedness incurred, or continued, to purchase or carry property held for investment) as reported on Form 4952, subject to the limitations prescribed in the law. Interest relating to business, royalty, and rental income was deducted directly from these items and was, therefore, not reflected in the interest paid statistics. For installment purchases, interest paid included amounts stated in the contract, certain unstated amounts of interest as provided in Code section 483, and finance charges.

Interest Received

Interest received was the taxable portion of interest received from bonds, debentures, notes, mortgages, personal loans, bank deposits, and savings accounts. Taxpayers were also instructed to include so-called dividends on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions. Excluded was the interest on a State or local Government obligation. Such interest was tax-exempt and, therefore, did not have to be reported on the tax return.

Investment Credit

This tax credit was based on a percentage of the "qualified investment" in certain new and used depreciable assets, chiefly machinery and equipment with a useful life of 3 years or more. The applicable percentage for most property acquired and placed into service or constructed during the period January 22, 1975, through December 31, 1976, was 10 percent of the qualified investment as provided for by the Tax Reduction Act of 1975. The Tax Reform Act of 1976 extended this 10 percent rate through 1980 and the Revenue Act of 1978 made this 10 percent rate permanent. Before January 22, 1975, the credit was, in general, 7 percent.

The cost of the property determined the taxpayer's qualified investment, which was an amount that took into account the length of the property's intended life and whether the property was new or used. Small Business Corporations and partnerships were eligible for the credit, although the credit itself was claimed not by these entities but by the shareholders and partners, respectively, on their individual income tax returns. There were also limitations on the credit itself, for the most part dependent on the presence or size of income tax (excluding the penalty taxes on self-employed retirement, or Keogh, plans and the special income averaging tax), reduced by the foreign tax credit and the credit for the elderly. Amounts in excess of these limitations could be carried back 3 years and the remainder carried forward, in general, to the succeeding 7 years, for use in computing the credit for these years.

The Energy Tax Act of 1978 allowed taxpayers to claim a refundable investment credit for solar and wind property and a nonrefundable energy investment credit for certain other types of energy property.

This was in addition to the regular investment credit if the energy property also qualified as regular investment credit property. The nonrefundable credit was reported and tabulated as part of the regular investment credit, while the refundable portion was reported and tabulated as a taxpayment. (See also "Business Energy Investment Credit" in this section.)

Investment Interest

This was an amount computed for the statistics on all returns, as required by the Tax Reform Act of 1976. It was equal to total interest deducted, other than home mortgage interest, limited to investment income (interest received, dividends, and capital gains). However, since investment income varied according to the income concept tabulated, the amount of investment interest expense varied as well. Thus, for those income concepts which did not include tax preferences (adjusted gross income and adjusted gross income less investment interest), dividends after exclusion and the portion of the excess of net long-term capital gains over net short-term capital losses included in adjusted gross income were used as the basis for computing investment interest expenses. However, for those income concepts which included tax preferences (adjusted gross income plus excluded tax preferences and expanded income), dividends before exclusion and the full amount of net long-term capital gains over net short-term capital losses were used. These income concepts are shown under "High-Income Returns, Taxable and Nontaxable" in section 8.

Itemized Deductions

See "Total Itemized Deductions."

Itemized Deductions Tax Preference

See "Alternative Tax Preferences."

Jobs Credit

The "new jobs credit" for hiring new employees, in effect for Tax Years 1977 and 1978, was replaced for 1979 by a "targeted jobs credit" for hiring the hard-core unemployed and other groups with special employment needs. The targeted jobs credit, which was elective, was limited to 50 percent of the first \$6,000 of FUTA wages (i.e., wages subject to unemployment insurance) paid by an employer to an eligible employee for the employee's first year of employment, and to 25 percent of such wages for the second year of employment of such individual. The employee groups targeted for this credit were: (1) recipients of Supplemental Security Income (SSI); (2) handicapped individuals who were undergoing or had completed qualified vocational rehabilitation; (3) individuals aged 18-25 who were members of economically disadvantaged families; (4) Vietnam-era veterans under age 35 who were members of economically disadvantaged families; (5) recipients of general assistance for a period of 30 or more days; (6) individuals aged 16 to 18 who were participants in a qualified cooperative education program; and (7) ex-convicts who were members of economically disadvantaged families, if hired within the later of 5 years of the date of release from prison or date of conviction.

In addition to the limit on the amount of credit for any one eligible employee, the amount of qualifying wages paid by an employer to eligible first year employees was limited to 30 percent of the aggregate FUTA wages paid to all employees during the calendar year ending in the employer's taxable year. Moreover, an employer's deduction for such wages was

reduced by the amount of the credit; the credit was limited to 90 percent of the employer's income tax liability less all other nonrefundable credits; and it was not applicable with respect either to employees for whom the employer received on-the-job training payments or for whom the WIN credit was claimed.

Joint Returns of Husbands and Wives

These were returns of married taxpayers claiming the joint return filing status. The income of each spouse had to be reported on this return.

Marital Status

The five marital status classifications were:

- (1) joint returns of husbands and wives,
- (2) separate returns of husbands and wives,
- (3) returns of heads of households,
- (4) returns of surviving spouses, and
- (5) returns of single persons (not heads of households or surviving spouses).

Marital status was usually determined as of the last day of the taxable year. If one spouse died during the tax year, the other was considered married for the entire year. If a taxpayer was divorced during the tax year and did not remarry, the taxpayer was considered to be unmarried for the entire year. Each of the above classifications is defined under separate heading in this section.

Maximum Tax on Personal Service Income

"Tax generated" was usually computed by applying to taxable income graduated tax rates ranging from 0 to 70 percent. However, taxpayers with large amounts of "personal service income" could elect to limit the top tax rate on such income to a maximum of 50 percent. This was done by splitting taxable income into "personal service" and "other" taxable income. The graduated regular rates up to 50 percent were applied to personal service taxable income; the 50 percent limitation was applied to amounts which would have been subject to rates higher than 50 percent. Other taxable income was taxed at regular rates higher than 50 percent.

"Personal service income" was gross income from salaries, wages, professional fees, and other compensation for personal services. If the taxpayer engaged in a trade or business where both services and capital were material income-producing factors, up to 30 percent of net profit was considered earned income. Net proceeds from the sales of property created by the taxpayer were also considered earned income. Beginning with 1977, pensions, annuities, and other deferred compensation for personal services rendered in the past could also be included. "Personal service net income" was personal service income as here defined less allocable deductions and expenses.

Personal service net income was used to determine "personal service taxable income." Taxable income was multiplied by the ratio of personal service net income to adjusted gross income. The result (limited to the amount of taxable income) was then subject to reduction by the "tax preference offset," the total amount of tax preferences reported on Form 4625 (see "Tax Preferences" in this section). "Personal service taxable income," then, was the result of applying an earnings ratio to taxable income and then subtracting from that result those items which had already received special tax treatment, namely the tax preferences. The part of taxable income which was not personal service taxable income was "other taxable income."

Tax generated was the sum of tax on personal service taxable income, computed as described in the first

paragraph, plus the tax on "other taxable income." The tax on "other taxable income" was the regular tax on taxable income less the regular tax on personal service taxable income.

The maximum tax computation was not available to married persons filing separate returns or to taxpayers electing income averaging.

Medical and Dental Expense Deduction

In general, medical and dental expenses could be claimed as itemized deductions to the extent that they exceeded 3 percent of adjusted gross income. Expenditures considered for this deduction were the actual amounts paid during the tax year for health care of the taxpayer, spouse, dependents, and any other person who, except for the fact that he or she had \$1,000 or more of gross income or filed a joint return with his or her spouse, could be claimed as a dependent. Amounts paid for drugs and medicines were included in medical expenses only to the extent that they exceeded 1 percent of adjusted gross income.

Any insurance payment, received on account of medical expenses incurred, reduced the cost which could be considered as medical expenses actually paid by the taxpayer. However, one-half of the cost of medical insurance up to \$150 was fully deductible as a medical expense without regard to the 3 percent limitation, while the remaining one-half of the cost plus any excess over \$150 was subject to the 3 percent limitation.

Minimum Tax

This was a 15 percent tax imposed on "tax preferences subject to tax." This tax could be reduced by:

- (1) 15 percent of any 1979 net operating loss which the taxpayer could carry to a future year (this amount to be paid as a "deferred minimum tax" for the year to which the net operating loss was carried);
- (2) "unused" portions of the credit for the elderly, the political contributions credit, the child care credit, and the residential energy credit; the unused portion was the amount by which these credits exceeded income tax before credits.

Miscellaneous Deductions

Included in the statistics were all specified nonbusiness deductions from adjusted gross income for which separate categories were not provided on the return form, plus personal casualty and theft losses.

On the return form, miscellaneous deductions included expenses incurred in the collection of income; or for the management, conservation, or maintenance of property held for the production of income subject to tax; gambling losses not in excess of winnings reported in income; amortization of bond premium; expenses connected with the taxpayer's employment (for example, dues to professional societies, union dues, cost of tools and supplies for the job, and fees to employment agencies); fees paid for the preparation of a tax return; and allowable expenses of an employee in connection with the employer's business.

Casualty and theft losses, while shown as a separate category on the return form, were included as "miscellaneous deductions" for the statistics. (See also "Casualty and Theft Loss, Net" in this section.)

For purposes of the statistics, miscellaneous deductions also includes any amount of earned income substituted for itemized deductions by taxpayers who qualified as "dependents with unearned income."

Moving Expense Adjustment

An employee who had to move to a new residence as a result of changing jobs could deduct from gross income certain reasonable expenses for moving and househunting. To qualify for this deduction the distance between the taxpayer's new principal place of residence and her or his former place of residence had to exceed 35 miles.

Deductible expenses included those incurred from moving household goods and personal effects and meals, and lodging of the taxpayer and household members in route to the new residence. There were no dollar limitations for these expenses. Other allowable expenses, subject to a \$3,000 limitation, included househunting trips, cost of meals, lodging in temporary quarters for up to 30 days, and costs related to settlement of an unexpired lease or acquisition of a new lease, or selling of residence and purchase of a new residence. In addition, the househunting trip and temporary quarters component of the \$3,000 deduction could not exceed \$1,500.

Nontaxable Distributions

To the extent that a distribution from a corporation represented a refund of the taxpayer's capital, it was nontaxable. However, if the total of such distributions and other dividends exceeded \$400, they were to be shown for information purposes on Schedule B - Interest and Dividend Income.

Other Income

Included here were such items as prizes, awards, sweepstakes winnings, gambling profits, recovery of bad debts, insurance received as reimbursement for medical expenses taken in a previous year, and any other income subject to tax for which there was no specific line provided on the return form. Taxpayers were required to apply any deduction for business net operating losses against "other income."

Other Tax Credits

"Other tax credits" included, in general, only those statutory credits which were used to offset income tax and could not be identified as an elderly, child care, investment, work incentive (WIN), foreign tax, jobs, political contributions credit, or residential energy credit. Other tax credits, to the extent that they were in excess of total tax and were refundable, were tabulated as part of "other taxpayments."

Other Taxpayments

"Other taxpayments" included the "throwback tax credit" allowed trust beneficiaries for certain taxes previously paid by the trust, and any other unidentified amounts that could not be allocated to one of the specified taxpayment items. Other tax credits, to the extent that they were in excess of total tax and were refundable, were also included in other taxpayments.

Overpayment

An overpayment of tax occurred when the "taxpayments" exceeded "total tax liability," or if the taxpayer had an "earned income credit, refundable portion." Overpayments could be refunded; or, at the taxpayer's election, taken as a credit on the subsequent year's estimated tax; or taken partly as a refund and partly as a credit against estimated tax. (See also "Credit on 1980 Estimated Tax" and "Refund" in this section and "Overpayment and Tax Due" in section 3, Tax Computation and Tax Rates.)

Other Than Cash Contributions Deduction

See "Contributions Deduction."

Partnership Net Profit or Loss

Partnership net profit or loss was reported by persons who were members of a partnership, syndicate, joint venture, or unincorporated association. The taxpayer's profit or loss shown was only his/her share of the ordinary income or loss of the enterprise, together with payments made to the taxpayer for the use of capital or as a salary. If the individual was a member of more than one partnership, the single amount of partnership profit or loss reported in adjusted gross income, whether or not actually received was the net result of all shares.

Beginning with 1976, an "at risk" limitation was introduced on a partner's deductible losses that were attributable to certain partnership "tax shelter" activities to which a partner contributed cash or property. In general, losses were allowed only to the extent of the aggregate amount the partner had "at risk" in the activity at the close of the year. (The amount "at risk" was the partner's cash or property investment or amounts borrowed for which the partner was personally liable or which was secured by property other than the amount the partner had invested.) The amount "at risk" was reduced by the losses deducted; however, a loss in excess of the "at risk" amount could be carried over for possible use in the following year.

Partnership net profit or net loss, as shown in this report, did not include dividends qualifying for the exclusion, net short- and long-term capital gain or loss, interest on tax-free covenant bonds, and shares of specially allocated income or loss, even when these amounts were received through a partnership. Such income was included on the tax return on the separate lines provided for these income types. Deductions for which there were separate lines on the return were similarly excluded from partnership net profit or net loss. One of these deductions, additional first-year depreciation, was tabulated separately in this report. Additional first-year depreciation was 20 percent of the cost (or portion of the cost) of tangible personal property which was allowed to the taxpayer for the first tax year in which a depreciation deduction was allowable. The cost of each piece of property for which additional first-year depreciation was allowed was limited to \$10,000 (\$20,000 on a joint return).

Data shown for 1979 include the total number of returns showing any net income received from all partnerships and the total number showing any net loss from all partnerships. In other words, if a return showed net income from one partnership and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labeled "net income" and "net loss" represent, as they do annually, the sum of all income and loss reported from all partnerships; i.e., the net amount, on a return-by-return basis.

Additional information for partnerships can be found in Statistics of Income—1978 Partnership Returns.

Payment with Request for Extension of Filing Time

This payment was made when the taxpayer filed Form 4868, Application for Automatic Extension of Time to File U.S. Individual Tax Return, and gained a 2-month extension of time to file the Form 1040. The application operated to extend the time to file. It did not extend the time for payment of expected tax since full payment of any tax due had to be made with the application for extension. When the taxpayer filed

the return, he or she entered the amount paid with Form 4868 on Form 1040 to determine any tax still due or any amount of overpayment of tax.

Payments to an Individual Retirement Arrangement

See "Individual Retirement Arrangement."

Penalty Taxes on Individual Retirement Arrangements

A taxpayer could start withdrawing funds from an arrangement after reaching age 59-1/2, and had to start doing so after reaching age 70-1/2. Withdrawals prior to reaching age 59-1/2 were subject to a penalty tax equal to 10 percent of the premature distribution. Failure to withdraw funds after reaching age 70-1/2 resulted in the taxpayer's paying a 50 percent excise tax on the amount by which the minimum required distribution exceeded the distributions actually received by the individual during the year. Contributions to the retirement arrangement in excess of the legal limitation for the year (15 percent of earned income; \$1,500 maximum except for a spousal arrangement where the maximum is \$1750) were subject to an excise tax equal to 6 percent of the excess contribution. (See also "Individual Retirement Arrangement" in this section.)

Pensions and Annuities

Generally, pensions represented periodic income received after retirement and made in consideration of past services with an employer, while annuities were income payable at stated intervals in consideration of a specific premium. A taxpayer could acquire a pension or annuity either by purchase from a commercial organization (usually life insurance, endowment, or annuity contracts) or under a plan or contract connected with the taxpayer's employment. Those pensions or annuities obtained in connection with employment could be purchased entirely by the taxpayer or could be financed in part (a contributory plan) or in whole (a noncontributory plan) by contributions of the employer.

Since a noncontributory pension was one paid for entirely by an employer, the amount received by the employee was fully taxable. This fully taxable pension was reported on line 17, "Fully taxable pensions and annuities," of Form 1040 rather than on Schedule E, Supplemental Income Schedule, which was used to report amounts received from a contributory pension.

For the taxpayer who participated in a contributory retirement plan while employed, the amount received was only partially taxable. In general, the amount excludable from gross income, the nontaxable portion, represented the taxpayer's contributions under the plan, while the taxable portion represented the employer's contribution. (In the case of a survivor-beneficiary of a deceased employee, a "death benefit exclusion" of up to \$5,000 could be excluded, in addition to the deceased employee's contribution.) The entire amount of pension received for the year was reported on the supplemental income schedule (Schedule E, Form 1040), with the taxable portion shown separately and carried forward to line 18 of Form 1040, and included under the heading "Pensions, annuities, rents, royalties, partnerships, estates and trusts, etc." When it was possible for the retired employee or a survivor to recover the employee's contributions within 3 years by the annuity payments received, the payments were nontaxable until recovered, after which time the pension or annuity was fully taxable. This was the "three-year rule" computation method. If this method was inapplicable, the taxpayer's yearly receipts were prorated into taxable and nontaxable portions based on life expectancy at the time that the pension or annuity started (or "term certain," if the annuity was not payable for life).

Receipts from individually purchased annuities were usually prorated into taxable and nontaxable portions, since the taxpayer could expect to receive more than the cost, but not within 3 years.

Personal Property Taxes Deduction

See "Taxes Paid Deduction."

Political Contributions Credit

An individual taxpayer was allowed to take a credit against income tax for political contributions paid during the year. This political contribution could be to a candidate or candidates for election to a Federal, State, or local office, in a primary, general, or special election, or it could be to a political campaign committee. The credit equalled 50 percent of the amount contributed, limited to \$50 (\$100 on a joint return).

Presidential Election Campaign Fund Checkoff

Taxpayers could elect to designate \$1 (\$2 on a joint return, if both the taxpayer and spouse so elected) of their 1979 tax liability to be applied to the Presidential Election Campaign Fund. This designation could be made by checking the appropriate box on Form 1040 or Short Form 1040A. The election did not affect the size of the taxpayer's tax liability or refund for the year.

Real Estate Taxes Deduction

See "Taxes Paid Deduction."

Refund

A refund of tax included all overpayments not applied by the taxpayer as a credit to the next year's estimated tax. (See also "Overpayment" in this section.)

Regular Tax Computation

Typically, the taxpayer, in determining "tax generated," first computed tax table or taxable income. Depending on marital status, the taxpayer then applied rates from one of four tax rate schedules to compute the tax. In some instances, the taxpayer used the equivalent tax table or requested the Internal Revenue Service to compute the tax. Returns of such taxpayers are also classified under the regular tax computation method. (See also section 3, Tax Computation and Tax Rates.)

Rent Net Income or Loss

Rent net income or loss constituted a part of adjusted gross income and was determined by deducting from gross rents amounts for depreciation, repairs, maintenance, interest, taxes, commissions, advertising, fuel, insurance, janitor services, and any other allowable expenses related to the rented property. Rental income from farming operations conducted solely by the tenant without material participation of the landowner was also included here.

Recomputed Tax Preference Income

See "Tax Preferences Subject to Tax."

Residential Energy Credit

In order to reduce energy consumption and to encourage the development and use of alternative energy sources, a residential energy credit was provided for by the Energy Tax Act of 1978. The

credit was actually made up of two separate parts, one based on qualified "energy conservation expenditures" and the other on qualified "renewable energy source expenditures," with different requirements for each type of credit. The entire residential energy credit was available for qualified items installed in or on the taxpayer's principal residence from April 20, 1977, through December 31, 1985. However, the credit could not be claimed for any taxable year beginning before January 1, 1978; therefore, it was first available for use on 1978 tax returns. A maximum amount was specified for each part of the credit, although a minimum \$10 amount for the sum of both credits was required before any credit was allowed. None of the credit was refundable, but any credit exceeding income tax reduced by all other statutory credits could be carried over to subsequent years through 1987. Before the credit was carried over to a subsequent year, however, it could have been used to reduce the minimum tax for the current year. Amounts of credit which could not be used to offset any tax for 1978 are shown as "residential energy credit carryover from 1978" in the tabulations.

The credit for energy conservation property was 15 percent of the first \$2,000 of expenditures, including original installation costs, with a maximum credit of \$300 per residence over the entire period the credit was to be in effect. The credit was available for each dwelling unit used by the taxpayer as a principal residence; however, the construction of the dwelling unit had to be substantially completed before April 20, 1977, in order for the energy conservation expenditures to qualify. In addition, the taxpayer had to be the first person to use the property installed and that property had to be expected to remain in use for a least 3 years. Energy conservation property consisted of insulation, storm windows and doors, caulking and weather-stripping, and certain other items (such as an automatic energysaving setback thermostat, furnace replacement burner, or a meter displaying the cost of energy usage). The maximum energy conservation expenditures allowable in computing the energy credit were \$2,000. However, in computing the 1979 credit, a taxpayer who had claimed a credit for Tax Year 1978 had to further reduce this \$2,000 by his or her 1978 energy conservation expenditures on the same residence. The result of limiting expenditures for 1979 to \$2,000 minus 1978 expenditures is shown in the tabulations as "maximum allowable current-year energy conservation expenditures."

The credit for renewable energy source property was 30 percent of the first \$2,000 and 20 percent of the next \$8,000 of expenditures, including labor costs for on-site preparation, assembly, or original installation, with a maximum credit of \$2,200 per residence over the entire period the credit is to be in effect. In contrast to the credit for energy conservation property, the renewable energy source credit was available for items installed on both existing and newly constructed principal residences. The taxpayer had to be the first person to use the property and that property had to be expected to remain in use for at least 5 years. Renewable energy source property consisted of solar, wind, and geothermal energy property.

The maximum renewable energy source expenditures allowable in computing the energy credit for 1979 are \$10,000. However, in computing the 1979 credit, a taxpayer who had claimed a credit for Tax Year 1978 had to reduce the \$10,000 by his or her 1978 renewable energy source expenditures on the same residence. The result of limiting expenditures for 1979 to \$10,000 minus 1978 expenditures is shown in the tabulations as "maximum allowable current-year renewable energy source expenditures."

Royalty Net Income or Loss

Net royalties consisted of gross royalties less deductions for depletion, depreciation, office rent, legal fees, clerical help, interest, taxes, and similar items. Gross royalties included revenues from oil, gas, and other mineral rights; and revenue from patents; copyrights on literary works; trade-marks; formulas; and so on. Certain royalties received under a lease agreement on timber, coal, and domestic iron ore were eligible for capital gains or ordinary loss treatment under Code section 1231, and as a result of the separate computation required by that section are reflected in the statistics for "sales of capital assets" and "sales of property other than capital assets."

Salaries and Wages

Salaries and wages as reported on the tax return were amounts of compensation for personal services. Also included were commissions; bonuses; tips; fees; excess reimbursement over employee business expenses; and the value of nonmonetary payments for services, e.g., merchandise, accommodations, or property. Identifiable amounts for any of these categories which may have been reported by taxpayers in "other income" were treated as salaries and wages for the statistics. Excluded were portions of salaries and wages earned in hardship areas abroad which could be excluded under special provisions of the law.

Sales of Capital Assets, Net Gain or Loss

In general, capital assets for tax purposes included all property held for personal use or investment. Examples of such assets were personal residences, furniture, automobiles, and stocks and bonds. Assets used in the normal course of business activities (such as inventory held for sale during the ordinary conduct of business) and depreciable or real property held for sale or used in a trade or business were specifically excluded from treatment as capital assets.

In addition, net gains from the disposition of certain types of property which were not classified as capital assets could be treated as capital gains under section 1231 of the Code. This included property used in business, such as buildings and machinery; and also certain specific types of assets such as cut timber, coal, domestic iron ore and timber royalties, and unharvested crops sold with the land, if the land were held for more than one year.

On the other hand, all or a portion of net gains from some types of property included under the definition of capital gains could be denied capital gains treatment under certain other sections of the Code. Generally, these sections denied capital gains treatment to gain that resulted from the recapture of depreciation already claimed on the asset.

The following concepts were used in the computation of net capital gain or loss for the purposes of this report:

Net short-term gain or loss—Gains and losses from the sales or exchanges of capital assets held for one year or less, beginning with 1978, were considered to be short-term. For 1977, the holding period was 9 months or less, while for 1976 and earlier years it was 6 months or less. Short-term gains from current-year sales were combined with any short-term capital loss carryover and any net short-term gain or loss received from partnerships or fiduciaries.

Net long-term gain or loss—Gains and losses from sales or exchanges of capital assets held for more than one year were considered long-term and were eligible for special tax treatment (see "Net capital

gain" below). To obtain the net long-term gain or loss, gains or losses from current-year transactions were combined with:

- (1) net long-term gain or loss received from partnerships, fiduciaries, or Small Business Corporations,
- (2) capital gain distributions of regulated investment companies (mutual funds) and real estate investment trusts, and
- (3) long-term capital loss carryover from prior years.

Short-term capital loss carryover—This carryover equalled that portion of short-term capital loss incurred, but not deducted, in a previous tax year because of the limitation to net capital loss claimable, as discussed below under "Net capital loss."

Long-term capital loss carryover—This carryover equalled that portion of long-term capital loss incurred, but not deducted, in a previous tax year because of the limitation to net capital loss claimable, as discussed below under "Net capital loss."

Net capital gain—If the combination of net short-term gain or loss and net long-term gain or loss resulted in a positive amount, the taxpayer had a net capital gain. For taxpayers with long-term capital gains, the actual amount shown as net capital gain (and thus carried into adjusted gross income) was less than the computed combined amount. For net long-term capital gains resulting from sales or exchanges of assets after October 31, 1978, 60 percent of these gains (reduced by any short-term capital losses) could be excluded. For net long-term capital gains resulting from sales or exchanges of assets before November 1, 1978, 50 percent of the excess over net short-term losses was excludable. (Sales of capital assets taking place before November 1, 1978, if transacted by a partnership, Small Business Corporation, estate, or trust, may have been taxable on an individual's 1979 return, if that was the year in which the proceeds were passed through to the individual.) Short-term capital gains, on the other hand, were always fully includable in net capital gain.

Net capital gain also included capital gain distributions which would have been reported on Schedule D, Capital Gains and Losses, except for the provision that taxpayers who had no other gains or losses could simply enter the portion of capital gain distributions included in adjusted gross income on line 15 of Form 1040. These distributions were always considered to be long-term capital gains. The statistics include a separate tabulation of capital gain distributions not reported on Schedule D.

Net capital loss—If the combination of net short-term gain or loss and net long-term gain or loss resulted in a negative amount, the taxpayer generally showed a net capital loss. In many cases, however, the actual amount included in net capital loss (and thus carried into adjusted gross income) was less than the computed combined amount. For taxpayers with long-term capital losses, only 50 percent of such losses (reduced by any short-term capital gains) was includable in net capital loss. After this reduction, net capital loss was further limited to the lesser of (a) taxable income (computed without regard to capital loss or personal exemptions) or (b) \$3,000 (\$1,500 for married persons filing separately).

Amounts of capital losses in excess of limitations (a) or (b), whichever was applicable, could be carried over to subsequent tax years, as described above.

Sales of Property Other Than Capital Assets, Net Gain or Loss

Property other than capital assets generally included property of a business nature, in contrast to personal and investment property which were capital assets. Some types of property specifically included were (1) certain depreciable, depletable, and real business property; (2) accounts and notes receivable in the ordinary course of business generated from the sale of goods and services ordinarily held for sale by the business or includable in the inventory of the business; (3) certain copyrights, literary, musical, or artistic compositions or similar properties; (4) any share of gain or loss received through partnerships and fiduciaries; and (5) amounts resulting from certain "involuntary conversions," including net losses from casualty and theft. Gains from the disposition of some property types not considered to be capital assets could be treated as capital gains under certain conditions. Conversely, under certain other conditions gains from the disposition of some property types considered to be capital gains could be denied capital gains treatment. Taxpayers reported all gains and losses not receiving capital gains treatment on Form 4797, Supplemental Schedule of Gains and Losses.

Self-Employed Retirement Plan (Keogh) Deduction

In general, self-employed individuals could contribute to a qualified retirement plan (Keogh or H.R. 10 plan) and deduct all or a part of such contributions in computing adjusted gross income. The amount which could be deducted was based on "earned income," defined as (1) net earnings from self-employment, but only with respect to a trade or business in which personal services of the taxpayer were a material income-producing factor, and (2) income from the disposition of certain property by individuals whose personal efforts created the property. In general, the maximum amount of the annual contribution to the plan and deduction was 15 percent of earned income or \$7,500, whichever was less.

Self-Employment Income

See "Earned Income Credit."

Self-Employment Tax

This tax, levied under the social security system, was reported by each individual who had self-employment earnings of at least \$400 derived from a sole proprietorship or from any share of partnership profits. U.S. citizens employed by foreign governments or international organizations were subject to self-employment tax on salaries. Certain types of income and deductions such as investment income, capital gains and losses, deductions for net operating losses, and casualty and theft losses were not allowed in computing self-employment earnings.

The maximum amount subject to self-employment tax for 1979 was \$22,900, reduced by any wages on which social security tax had been withheld by any employer. The maximum self-employment tax payable was \$1,854.90, based on the 8.1 percent rate in effect for that year. For 1978, the rate was also 8.1 percent, but the maximum amount of earnings subject to the tax was \$17,700 and the maximum tax was \$1,433.70.

Separate Returns of Husbands and Wives

Generally, these were returns of married persons, each of whom filed a return independently of his or her spouse and reported only his or her own income, exemptions, and tax. Also included were returns of married persons where only one spouse had income, but elected to use this classification, and also returns with community property income divided between husband and wife.

If only one spouse filed a separate return, the other spouse's exemption could be claimed on that return, but only if the spouse who was not filing had no gross income and was not the dependent of another taxpayer.

Single Persons, Returns of

These were returns of (a) unmarried persons who did not qualify as head of household or surviving spouse, or (b) certain married individuals living apart from their spouses who maintained a home, independently of the spouse, that was the home of the individual's child or stepchild for more than 6 but less than 12 months of the year.

Size of Adjusted Gross Income

The amount of adjusted gross income reported by the taxpayer on the return was the basis for classifying data by size of adjusted gross income. Returns with deficit and those on which income and loss were equal were classified as having "no adjusted gross income" and appear as a separate class in most basic tables. The absence of a class labelled "no adjusted gross income" indicates that any deficit or breakeven returns in a table were included in the lowest income class.

Small Business Corporation Net Profit or Loss

Net income of a qualified Small Business Corporation (defined in section 1371 of the Code), whether or not distributed, was taxed directly through each stockholder. Net losses were allocated to each stockholder to be offset against income from other sources.

Small Business Corporation income shown in this report was the amount taxable to stockholders as ordinary income. Net long-term capital gain, reduced by the special tax imposed at the corporate level, retained its character in the hands of the stockholders and is included in the statistics for net gain or loss from sales of capital assets. Undistributed income earned in previous years was taxable to stockholders in the year it was earned and could be distributed during the current year without any further tax.

Data shown for 1979 include the number of returns showing just net income received from all Small Business Corporations and the number showing just the net loss from all Small Business Corporations. In other words, if a return showed net income from one Small Business Corporation and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labelled "net income" and "net loss" represent, as they do annually, the sum of all income and loss reported from all Small Business Corporations; i.e., the net amount, on a return-by-return basis.

Information on Small Business Corporations can be found in Statistics of Income--1978-1979 Corporation Income Tax Returns.

Social Security Taxes on Tip Income

This amount consisted of social security tax on unreported tip income and uncollected employee social security tax on tips.

Cash tips amounting to \$20 or more that the taxpayer received in a month while working for any one employer were subject to withholding of income tax and social security tax. Cash tips counted toward social security benefits and an employee was required to report these tips to the employer; the employer then withheld the social security tax. However, if the employer was unable to withhold the amount of social security tax, the amount of uncollected social security tax on tips was indicated on the employee's Form W-2, and the taxpayer was required to report the uncollected tax and pay it with the Form 1040.

If the employee did not report the tips to the employer, the employee was required to compute the social security tax on unreported tips on Form 4137 and attach it to Form 1040.

State and Local Income Taxes Deduction

See "Taxes Paid Deduction."

State Income Tax Refunds

These amounts represented that part of a refund of State income tax attributable to itemized deductions taken in a prior year that resulted in a Federal tax benefit. Taxpayers were instructed not to net the refundable amount against the current year's itemized deduction for State and local income tax.

States

State classifications were based on the taxpayer's address shown on the pre-printed address label or reported by the taxpayer on the return. Data for returns with addresses outside the 50 States and the District of Columbia are shown in three separate classifications in the State statistics. Returns from the Virgin Islands and those with foreign addresses are classified under "U.S. citizens abroad." Data from qualifying returns filed by bona fide residents of Puerto Rico are shown in a separate category. The third classification covers returns for armed service personnel stationed abroad who filed their returns in New York, California, or Washington where their Army Post Office (APO) or Fleet Post Office (FPO) was located. (See also section 5, State Data.)

Statutory Adjustments

These were certain adjustments to gross income allowed as deductions in arriving at adjusted gross income. Statutory adjustments consisted of the disability income exclusion, moving expense deduction, employee business expense deduction, payments to a self-employed retirement (Keogh) plan, forfeited interest penalty, payments to an individual retirement arrangement (IRA), alimony paid, and deduction for expense of living abroad. (See also section 1, Returns Filed and Sources of Income.) Each is described under separate heading in this section.

Stock Options

See "Tax Preferences."

Surviving Spouses, Returns of

These returns were filed by widows or widowers whose spouse had died during either of the 2 preceding years, who had not remarried, and who had maintained a home which was the principal abode of a child or stepchild for whom the taxpayer was entitled to an exemption.

Surviving spouse taxpayers could use the joint return tax rates for the 2 taxable years following the year of death of the spouse; however, the deceased spouse could not be claimed as an exemption, except for the year of death.

Tax Credits

Tax credits consisted of:

- (1) credit for the elderly,
- (2) investment credit,
- (3) foreign tax credit,
- (4) political contributions credit,
- (5) work incentive (WIN) credit,
- (6) jobs credit,
- (7) residential energy credit, and
- (8) "other" tax credits.

In addition, for purposes of this report, the amount of earned income credit used to offset income tax before credits was included under this classification.

Each of the above is described under separate heading in this section. (See also section 3, Tax Computation and Tax Rates.)

Tax Due at Time of Filing

"Tax due" was reported on returns where the "total tax liability" exceeded the "total taxpayments."

Tax From Recomputing Prior-Year Investment Credit

The investment credit provisions of the law included a "recapture" rule which required taxpayers to pay back all or a portion of any investment credit taken on property disposed of before the end of the useful life claimed in computing the credit. The law specified that if property qualifying for the credit was disposed of before the end of its intended useful life, the tax for the year of disposal was increased by the difference between the credit originally claimed and the credit that would have been allowed based on the shorter actual life.

Tax credits could not be applied against this additional tax.

Tax Generated

This amount was the tax on "taxable income" or "taxable income." On most returns (those without one of the "taxes from special computations") this equalled "income tax before credits."

Tax Paid with Return

This was the amount of tax tendered by the taxpayer with the return in the event that the taxpayer's "total tax liability" exceeded "total taxpayments." (See also "Tax Due at Time of Filing" and "Balance Due After Remittance" in this section.)

Tax Preferences

The following income and deduction items, which were given special treatment in the computation of taxable income, were considered tax preferences and were subject to the "minimum tax":

- (1) Accelerated depreciation on (a) low-income rental housing; (b) other real property (defined in

Code section 1250); and (c) leased personal property (defined by section 1245). The excess of accelerated depreciation over the amount computed under the straight-line method was considered a tax preference.

(2) Amortization of (a) certified pollution control facilities; (b) railroad rolling stock; (c) on-the-job training facilities; and (d) child care facilities. The excess of these special rapid write-offs, over what otherwise would have been a depreciation deduction, was considered a tax preference.

(3) Stock options. Upon exercising a stock option, an employee did not actually receive income when the fair market value of the stock was greater than the option price. This price difference was, however, treated as a tax preference in the year the option was exercised.

(4) Bad debt reserves. Financial institutions were allowed deductions toward a reserve for bad debts under prescribed rules. When these deductions exceeded the amount required by actual experience, the excess was considered a tax preference.

(5) Depletion. The excess of depletion over the adjusted basis of property (reduced by depletion taken in prior years) was a tax preference. Thus, when the taxpayer had written off the investment, a tax preference was realized.

(6) Intangible drilling costs. Intangible drilling expenses incurred by operators of oil and gas wells were chargeable, at the operator's option, either to capital or to current expenses. However, beginning with Tax Year 1976, to the extent that any amount deducted as a current expense exceeded the amount that could have been charged to capital and deducted over the applicable number of years, it had to be reported as a tax preference.

The above items were considered tax preferences, whether incurred directly, by individual taxpayers, or distributed or allocated to them as owners, beneficiaries, or shareholders of partnerships, estates and trusts, Small Business Corporations, and regulated investment companies.

Tax Preferences Subject to Tax

This item was the base for computing the "minimum tax" (described above). It was the result of subtracting total exclusions from recomputed tax preference income—concepts explained below.

Recomputed tax preference income, on most returns, equalled total tax preferences (see "Tax Preferences," above). However, under section 58(h) of the Internal Revenue Code, taxpayers could deduct any tax preferences from which they derived no benefit from their total tax preferences. The result of subtracting this "no-benefit deduction" is shown as "recomputed tax preference income" in the statistics.

Exclusions from total tax preferences took one of two forms. The standard exclusion equalled a flat \$10,000 (\$5,000 for married persons filing separately). The tax exclusion equalled one-half of the sum of income tax after credits, tax from recomputing prior-year investment or work incentive credits, and the penalty tax on premature redemption of individual retirement bonds, less the special income averaging tax, the tax on accumulation distributions of trusts, and penalty taxes on self-employed pension plans. The taxpayer could take whichever exclusion was more beneficial.

Tax Savings From Special Tax Computations

In this report, the amount of tax savings is the difference between the tax resulting from using the provisions of one of the special tax computations (i.e., maximum tax or tax from income averaging), and the amount of regular tax that would have resulted from not using these provisions.

Tax Table Income

This was a new income concept introduced by the Tax Reduction and Simplification Act of 1977. On returns with a "zero bracket amount only," this amount equalled adjusted gross income. On returns with itemized deductions, this amount equalled adjusted gross income minus "excess itemized deductions" or adjusted gross income plus the "unused zero bracket amount". Those taxpayers eligible used this tax table income in the tax tables to determine their tax; otherwise, they used tax table income to derive "taxable income" (tax table income minus the exemption amount) which, in turn, was used to determine their tax from the tax rate schedules.

Tax table income was not tabulated for deficit returns or for returns on which excess itemized deductions exceeded adjusted gross income.

Taxable and Nontaxable Returns

Taxability of a return for purposes of this report was determined by the presence of "total income tax" (the sum of income tax after credits and the additional tax for tax preferences). Some returns classified as "nontaxable" may have had a liability for tax from the self-employment tax, the social security taxes on tip income, tax from recomputing prior-year investment credit, penalty taxes on individual retirement arrangements, or other taxes; however, these taxes were disregarded for purposes of this classification, since the first two were considered social security (rather than income) taxes, and since the remaining ones were either based on prior-year's income or were penalty taxes. For the purposes of this report, the earned income credit was treated as an amount which could be used to offset income tax before credits. (Since the earned income credit was refundable, it was subtracted from income tax after reduction by all other statutory credits for the statistics.) As a result, some returns became nontaxable strictly because of the earned income credit when there was no additional tax for tax preferences and the earned income credit exceeded income tax before credits reduced by any other credits.

It should be noted that classification as taxable or nontaxable was generally based on each return as it was originally filed; the classification does not reflect any changes resulting from audit or other enforcement activities.

Taxable Income

Taxable income was the amount to which tax rates were usually applied in arriving at "tax generated." It was determined by subtracting from adjusted gross income "excess itemized deductions" (or by adding the "unused zero bracket amount") and the exemption amount. The zero bracket amount, that portion of income subject to tax at the zero percent rate, represented the first portion of taxable income.

Taxes From Special Computations

These represented the second component of "income tax before credits" (in addition to "tax generated") and consisted of:

- (1) the "special averaging tax" (from Form 4972), computed by a taxpayer who received a lump-sum distribution from a qualified pension or retirement plan;
- (2) the "multiple recipient special averaging tax" (from Form 5544), computed by a taxpayer who received a share of a single lump-sum distribution from a qualified pension or retirement plan;

(3) the tax on accumulation distributions of trusts (from Form 4970), computed by a taxpayer who received a distribution in the current year which was based on income accumulated by a trust in prior years;

(4) the tax from recapture of prior-year credit for purchase of a new principal residence (from Form 5405), computed by a taxpayer who had claimed the "new house credit" for 1976, but then sold the new house and failed to replace it with another qualifying new house within an 18-month period; and

(5) the penalty tax from premature or excess distributions from a self-employed (Keogh) retirement plan or trust.

Since these items were considered part of income tax before credits, not of other taxes, they were subject to reduction by statutory credits.

Taxes Paid Deduction

Taxes allowed as a deduction from adjusted gross income included personal property taxes, State and local income taxes, certain State and local retail sales taxes, taxes paid to foreign countries or U.S. possessions unless a foreign tax credit was claimed, and real estate taxes except those levied for improvements that tended to increase the value of the property. Federal taxes and State and local taxes on cigarettes, tobacco, and alcoholic beverages were not deductible, nor were State and local fees for vehicle license plates (unless the fees were based on the value of the vehicle) or drivers' licenses.

Taxes paid on business property were deducted separately on the schedules for business, rent, and royalty income, and are, therefore, excluded from the taxes paid statistics.

Taxpayments

These payments were, generally, made before the return was filed and were applied against tax liability to determine any amount payable or refundable at the time of filing. They consisted of the following:

- (1) income tax withheld,
- (2) excess social security taxes withheld,
- (3) credit for tax on certain gasoline, fuel, and oil,
- (4) payments on 1979 declaration of estimated tax,
- (5) payment with request for extension of filing time,
- (6) credit from a regulated investment company, and
- (7) other taxpayments.

Each of the above is described under separate heading in this section.

While the earned income credit was shown as a taxpayment on the tax return itself, it is tabulated separately for purposes of this report and not included as part of taxpayments. (See also "Earned Income Credit" in this section and in section 3, Tax Computation and Tax Rates.)

Total Income Tax

Total income tax was the sum of income tax after credits and the additional tax for tax preferences. It did not include any of the other taxes which made up "total tax liability." Total income tax was the basis for classifying returns as "taxable or nontaxable."

Total Itemized Deductions

Itemized deductions from adjusted gross income could be claimed for contributions, interest paid, taxes, medical expenses, casualty or theft loss, union dues, and other qualifying expenditures for

which no specific line or schedule was provided on the return. Such other expenditures included educational expenses and certain expenses connected with the taxpayer's employment.

The Tax Reduction and Simplification Act of 1977 required that four groups of taxpayers itemize their deductions, even if those deductions were less than the zero bracket amount. Those individuals were either dependents with unearned income, married and filing a separate return, dual status aliens, or persons excluding income received from sources in U.S. possessions. Dependents with unearned income could substitute their earned income, if it was larger than their itemized deductions.

Total itemized deductions was the amount before the zero bracket amount was taken into account. It was tabulated only from returns showing positive adjusted gross income. (See also section 2, Deductions and Exemptions.)

Total Tax Liability

Total tax liability was the sum of income tax after credits, additional tax for tax preferences, self-employment tax, social security tax on tips, tax from recomputing prior-year investment credit, taxes from individual retirement arrangements, and other taxes, reduced by the "earned income credit used to offset all other taxes" (defined under "Earned Income Credit" in section 3, Tax Computation and Tax Rates).

Type of Tax Computation

There were three methods of computing the tax on income subject to tax. These methods were:

(1) regular tax, as computed from the tax tables or tax rate schedules accompanying the Forms 1040 or 1040A;

(2) income averaging, computed on Schedule G, Income Averaging; and

(3) maximum tax, computed on Form 4726, Maximum Tax on Personal Service Income;

All of these tax computation methods are described in this section. (See also section 3, Tax Computation and Tax Rates.)

Unused Zero Bracket Amount

This deduction concept represented the amount by which the zero bracket amount exceeded total itemized deductions. (See also "Zero Bracket Amount," "Form of Deduction," and "Total Itemized Deductions" in this section and "Unused Zero Bracket Amount" in section 2, Deductions and Exemptions.)

Work Incentive (WIN) Credit

Taxpayers could take a credit against their income tax liability of 20 percent of the WIN (Work Incentive Program) wages paid an employee hired under the Federal Work Incentive Program. The Tax Reduction Act of 1975 extended the WIN program to include Federal welfare recipients of the Aid to Families with Dependent Children (AFDC) Program under the Social Security Act. Small Business Corporations and partnerships were eligible for the credit, although the credit itself was claimed not by these entities, but by the shareholders and partners, respectively, on their individual income tax returns.

The credit was limited to the first \$50,000 of tax liability (defined as income tax less the special income averaging tax from Forms 4792 and 5544 and the Section 72(m)(5) penalty tax, reduced by the elderly, foreign tax, investment, and political contributions credits) plus 50 percent of such tax liability in excess of \$50,000. Amounts in excess of these limitations could be carried back 3 years and the remainder carried forward to the 7 years subsequent to 1979 for use in computing the credit for these years.

Zero Bracket Amount

This amount replaced the "standard deduction," in effect for 1976 and earlier years. For 1979, the zero bracket amount was \$3,400 for married taxpayers filing jointly and surviving spouses, \$2,300 for single persons and heads of households, and \$1,700 for married taxpayers filing separately.

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Basic tables

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Sources of the Data

The data in this report were estimated from a stratified probability sample of unaudited individual income tax returns, Forms 1040 and 1040A, filed by U.S. citizens and residents and processed in the ten service centers of the Internal Revenue Service during Calendar Year 1980. The total sample of 203,605 returns was selected from a population of 92,774,844 returns.

The estimates in this report are intended to represent all returns filed for Income Year 1979. While about 99 percent of the returns processed during 1980 were for Calendar Year 1979, a few were for noncalendar years ending during 1979 and 1980 and some were returns for prior years. Returns for prior years were used in place of 1979 returns received and processed after December 31, 1980. This was done in the belief that the characteristics of returns due but not yet filed could best be represented by the returns for previous income years that were processed in 1980.

Analysis of prior-year returns indicated similar reporting characteristics, but income averages of prior-year returns were generally less than corresponding averages of current year returns. This is due at least in part to the impact of inflation on

individual incomes. Also, for no readily apparent reason, prior-year returns shown larger deficits. Further analysis of prior-year returns is currently being done, but some results were included in a paper given at the annual ASA meetings in Detroit, Michigan during August 10-13, 1981.¹

All returns processed during 1980 were subjected to sampling except tentative and amended returns. Tentative returns were not subjected to sampling because the revised returns may have been sampled later on, while amended returns were excluded because the original returns had already been subjected to sampling.

Sample Criteria and Selection

Form 1040 and 1040A returns filed and processed into the Internal Revenue Service's Individual Master File System during 1980 were stratified, by computer, into sample strata based on: the presence or absence of a Schedule C (Profit or Loss from Business or Profession); State from which filed; form used (Form 1040 or 1040A); size of adjusted gross income (or deficit) or largest of specific income (or loss) items; and size of business plus farm receipts. Returns were then selected from the sample strata using the ending digits of the Social Security Number (SSN) at rates ranging from 0.05 percent to 100 percent.

The five State Groups listed in table 7A were formed on the basis of the combined total number of Forms 1040 and 1040A from each State. For each State contained in each State Group the sample was designed to select a minimum number of 1,800 returns. This resulted in each State Group receiving a different set of sampling rates. In addition, within each State Group the sample was basically allocated to sample strata to reduce variance. A return was assigned to one of the sample strata when the return amounts for the larger of adjusted gross income or largest of specific income items and size of business plus farm receipts both fit into the boundaries of a sample stratum.

Table 7A contains the number of returns in the population and sample by sample strata and State Group, along with a description of the sample strata. A comparison of the total population of table 7A with the total estimated population shown in the national tables of this report will disclose a small difference. This difference resulted from an estimated 80,000 returns being excluded from the national tables since they contained no income information or were identified as amended or tentative returns after sampling.

*Ray Shadid designed the sample for this report and prepared the analytical material in this section.

¹Jim Dumais and Ray Shadid "Individual Statistics of Income: Advancing the Closeout Date," American Statistical Association, 1981 Proceedings, Section on Survey Research Methods.

Table 7A.—Number of Form 1040 and Form 1040A Returns in the Population and Sample, 1979

Description of sample strata	Total		Number of returns by State group									
	Population	Sample	Group 1 ¹		Group 2 ²		Group 3 ³		Group 4 ⁴		Group 5 ⁵	
			Population	Sample	Population	Sample	Population	Sample	Population	Sample	Population	Sample
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Grand total.....	92,774,844	203,605	579,602	8,105	4,813,675	38,059	4,007,981	12,310	9,576,280	21,302	73,797,306	123,829
Nonbusiness and farm (Schedule F only), total.....	83,811,557	120,753	496,701	4,293	4,283,995	14,985	3,586,160	7,415	8,488,040	13,554	66,956,661	80,506
Form 1040A returns with adjusted gross income under \$10,000.....	26,249,829	12,999	152,915	86	1,435,509	736	1,241,213	628	2,703,928	1,326	20,716,264	10,223
Adjusted gross income \$200,000 or more with no tax after credits and no minimum tax and no alternative minimum tax.....	43	43	1	1	1	1	1	1	-	-	40	40
Larger of adjusted gross income or largest specific income item and Farm receipts												
Under \$10,000..... Under \$20,000.....	10,945,092	7,819	60,987	220	591,553	1,115	473,717	386	1,179,481	905	8,639,354	5,193
\$10,000 under \$15,000..... Under \$50,000.....	13,056,009	11,062	71,610	345	681,535	1,547	567,579	842	1,324,470	1,217	10,410,815	7,111
Under \$10,000..... \$20,000 under \$50,000.....	10,183,958	10,469	58,332	343	524,977	1,493	438,315	861	1,048,762	1,443	8,113,572	6,329
\$15,000 under \$20,000..... Under \$100,000.....	13,780,190	15,970	81,553	568	654,377	2,292	555,926	1,150	1,384,891	2,044	11,103,443	9,916
Under \$15,000..... \$50,000 under \$100,000.....	7,699,177	14,058	54,925	478	318,034	1,604	251,299	795	691,800	1,589	6,383,119	9,592
\$20,000 under \$30,000..... Under \$250,000.....	1,523,165	13,059	14,644	1,205	63,568	1,937	45,487	702	124,429	1,761	1,275,037	7,454
Under \$20,000..... \$100,000 under \$250,000.....	294,743	10,502	1,397	710	11,337	1,156	10,009	795	24,031	1,189	247,969	6,652
\$30,000 under \$50,000..... Under \$500,000.....	168,324	13,745	288	288	2,629	2,629	2,258	899	5,463	1,295	57,686	8,634
Under \$30,000..... \$250,000 under \$500,000.....	11,027	11,027	49	49	475	475	356	356	785	785	9,362	9,362
\$50,000 under \$100,000..... Under \$750,000.....	8,963,287	82,852	82,901	3,812	529,680	23,074	421,821	4,895	1,088,240	7,748	6,840,645	43,323
Under \$50,000..... \$500,000 under \$750,000.....	27	27	-	-	-	-	-	-	2	2	25	25
\$100,000 under \$200,000..... Under \$1,000,000.....	1,758,586	6,055	15,387	220	110,998	2,229	93,860	249	222,018	328	1,316,323	3,029
Under \$100,000..... \$750,000 under \$1,000,000.....	1,466,995	6,161	12,959	231	93,609	2,251	77,170	371	186,575	424	1,096,682	2,884
\$15,000 under \$20,000..... Under \$100,000.....	1,433,836	7,501	12,096	261	92,484	2,886	71,843	424	185,673	749	1,071,740	3,181
Under \$15,000..... \$50,000 under \$100,000.....	2,101,418	11,508	18,140	434	122,980	4,153	95,728	659	261,554	1,278	1,603,016	4,984
\$20,000 under \$30,000..... Under \$250,000.....	1,458,315	13,336	16,044	533	74,267	3,751	55,783	827	157,273	1,205	1,154,948	7,020
Under \$20,000..... \$100,000 under \$250,000.....	556,138	10,783	6,789	647	26,773	2,130	19,983	695	54,822	986	447,771	6,325
\$30,000 under \$50,000..... Under \$500,000.....	127,291	10,624	1,036	1,036	5,737	2,842	4,929	548	13,220	1,148	102,369	5,050
Under \$30,000..... \$250,000 under \$500,000.....	52,803	8,979	400	400	2,489	2,489	2,274	871	6,229	754	41,411	4,465
\$50,000 under \$100,000..... Under \$750,000.....	7,878	7,878	50	50	343	343	251	251	874	874	6,360	6,360
Under \$50,000..... \$500,000 under \$750,000.....												
\$100,000 under \$200,000..... Under \$1,000,000.....												
Under \$100,000..... \$750,000 under \$1,000,000.....												
\$200,000 under \$500,000..... Under \$5,000,000.....												
Under \$200,000..... \$1,000,000 under \$5,000,000.....												
\$500,000 or more..... Any amount.....												
Under \$500,000..... \$5,000,000 or more.....												

Individual Returns/1979 • Sources, Sample, and Limitations

¹Alaska, Vermont, and Wyoming.
²Delaware, District of Columbia, Hawaii, Idaho, Maine, Montana, Nevada, New Hampshire, New Mexico, North Dakota, Rhode Island, South Dakota, and Utah.
³Arizona, Arkansas, Mississippi, Nebraska, and West Virginia.
⁴Alabama, Colorado, Iowa, Kansas, Kentucky, Oregon, Oklahoma, South Carolina, and Puerto Rico.
⁵California, Connecticut, Florida, Georgia, Illinois, Indiana, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, Virginia, Washington, Wisconsin, APO/FPO, and U.S. citizens abroad.

Method of Estimation

Weighting factors were obtained by dividing the computer population count of returns in a sample stratum by the number of sample returns for that stratum. The weighting factors were then converted to "integer weighting factors" which were applied to each return. For example, if a weight of 44.24 were computed for a stratum, 24 percent of the sample returns in that stratum would receive an integer weight of 45, and 76 percent a weight of 44.

Sampling Variability

The particular sample used in this study is one of a large number of all possible samples that could have been selected using the same sample design. Because ending digits of the SSN are used in the selection procedure, not all samples would be the same size. Estimates derived from the different samples would differ from each other. The deviation of a sample estimate from the average of all possible samples is called the sampling error. The standard error of an estimate is a measure of the variation among the estimates from the possible samples and thus is a measure of the precision with which an estimate from a particular sample approximates the average result of all possible samples.

The coefficient of variation (CV) is the standard error of the estimate expressed as a percent of the estimate. Coefficients of variation, computed using a sum-of-squares method, are shown for selected frequency and amount estimates and appear in tables 7.1, 7.2, and 7.3 of this section. The upper limit coefficients of variation shown in table 7B were computed using a formula based on the sum-of-squares method. These coefficients, applicable to frequencies only, are meant as a general guide for use when computed coefficients of variation are not shown in this report.

The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that the interval includes the population value. For example, from table 1.4,

the amount estimate, X, of State income tax refunds is \$3.239 billion and, from table 7.1 its related coefficient of variation, CV(X), is 1.0 percent. The standard deviation (error) of the estimate, SE(X), is needed to construct the interval estimate and is the product of the estimate and its coefficient of variation:

$$\begin{aligned} SE(X) &= X \cdot CV(X) \\ &= (\$3.239 \text{ billion}) \cdot (0.01) \\ &= \$0.032 \text{ billion.} \end{aligned}$$

This SE(X) value is then subtracted from and added to the estimate, X, to construct a 68 percent confidence interval estimate. The interval is computed as

$$X - SE(X) \quad Y \quad X + SE(X), \text{ with 68 percent confidence,}$$

where Y is the population value estimated by X. Based on this data, the interval estimate is from \$3.207 billion to \$3.271 billion (\$3.239 - \$0.032 and \$3.239 + \$0.032). A conclusion that the average estimate of State income tax refunds lies within an interval computed in this way would be correct for approximately two-thirds of all possible similarly selected samples. To obtain this interval estimate with 95 percent confidence, multiply the SE(X) value by two. (For these data the resulting interval would be from \$3.175 billion to \$3.303 billion.)

Further details concerning confidence intervals, including the approximation of CV's for combined sample estimates, may be obtained on request by writing to the Statistics Division, PR:S:M, Internal Revenue Service, Washington, DC 20224.

Whenever a weighted frequency (and, in most cases, its corresponding amount) is less than 3, the estimate is combined or deleted in order to avoid disclosure of information for specific taxpayers. These combinations and deletions are indicated by a double asterisk (**) or by a dagger (†). Estimates based on less than 10 sampled returns are considered to be unreliable. These estimates are noted by a single

Table 7B.--Estimated Number of Returns for Selected Upper Limit Coefficients of Variation by Size of Adjusted Gross Income/Deficit

[Cells are estimated number of returns]

Coefficient of variation (C.V.) (Percent)	Size of adjusted gross income/deficit								
	Under \$10,000 ¹	\$10,000 under \$15,000	\$15,000 under \$20,000	\$20,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 under \$500,000	\$500,000 and over
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2.....	8,160,000	5,117,900	4,701,500	3,556,900	3,309,000	1,914,000	509,500	111,200	Estimates of this stratum have no C.V. since all returns are in the sample
5.....	1,365,600	818,900	752,200	569,100	529,400	306,200	81,500	17,800	
10.....	326,400	204,700	188,100	142,300	132,400	76,600	20,400	4,400	
20.....	81,600	51,200	47,000	35,600	33,100	19,100	5,100	1,100	
30.....	36,600	22,700	20,900	15,800	14,700	8,500	2,300	500	
35.....	26,600	16,700	15,400	11,600	10,800	6,300	1,700	400	
50.....	13,100	8,200	7,500	5,700	5,300	3,100	800	200	

¹This column should be used for estimated number of returns not classified by adjusted gross income/deficit.

NOTE: This table is applicable to frequencies only and not to estimated amounts.

asterisk (*) to the left of the data unless all of the sampled returns are selected with certainty (at the 100 percent rate).

A dash in place of a frequency or amount estimate indicates that no return in the sample had that characteristic. A dash in place of a coefficient of variation for which an estimate is shown indicates that all returns with that characteristic were selected at the 100 percent rate.

Processing and Management of the Sample

The adequacy of the sample selection process was reviewed by applying prescribed sampling rates for each stratum to the population count for that stratum. A follow-up was required to reconcile differences between the actual number of returns selected and the expected number.

In transcribing and tabulating the information from the returns in the sample, checks were imposed to improve the quality of the resulting estimates. Incorrect or missing entries were altered during statistical editing to make them consistent with other entries on the return and accompanying schedules.

Data were also adjusted during editing in an attempt to achieve consistent statistical definitions. For example, a taxpayer incorrectly reported dividends on the interest received line of the Form 1040 return. If this error had been detected during statistical editing, the amount of dividends would have been entered into the proper field of the sample record layout.

Quality of the basic data abstracted at the processing centers was controlled there by means of a continuous subsampling verification system. In addition, the Statistics Division in the National Office conducted an independent reprocessing of a small subsample of the returns statistically processed in the field as a further check on processing. Prior to tabulation, numerous computer tests were applied to each return record to assure that proper balance and relationships among return items were maintained.

Finally, prior to publication, all statistics and tables were reviewed for accuracy and reasonableness in light of provisions of the tax laws, taxpayer reporting variations and limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing.

Table 7.1 — Coefficient of Variation for Sources of Income and Adjustments, by Size of Adjusted Gross Income — Continued

Table with columns: Size of adjusted gross income, Fully taxable, Partially taxable, Nontaxable, Total, Dividends and other distributions received, Capital gain distributions received, Nontaxable distributions. Rows include various income brackets from \$0 to \$20,000 or more, and summary rows for total returns and non-taxable returns.

Footnote(s) at end of table.

Table 7.1 — Coefficient of Variation for Sources of Income and Adjustments, by Size of Adjusted Gross Income — Continued
[Coefficient of variation for number of returns and amounts (percent)]

Table with multiple columns: Size of adjusted gross income, Sales of capital assets reported on Schedule D—Continued, Net long-term capital gain in excess of net short-term capital loss, Total, Excluded portion, Amount included in adjusted gross income, Net capital gain, Net capital loss. Rows include categories like 'All returns, total', 'No adjusted gross income', and 'Taxable returns, total'.

Footnote(s) at end of table.

Table 7.2 — Coefficient of Variation for Tax Liability and Taxpayments, by Size of Adjusted Gross Income

[Coefficient of variation for number of returns and amounts (percent)]

Size of adjusted gross income	All returns (number)	Total tax liability			Total income tax			Income tax after credits			Minimum tax			Alternative minimum tax		
		Number of returns	Amount	(3)	Number of returns	Amount	(5)	Number of returns	Amount	(7)	Number of returns	Amount	(9)	Number of returns	Amount	(11)
All returns, total	168	2	168	1.1	2	168	1.1	2	168	1.1	2	168	1.1	2	168	1.1
No adjusted gross income.....	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
\$1,000 under \$1,000.....	3.5	7.8	2.2	168	6.2	1.8	2.3	58.6	4.4	12.4	3.3	8.8	4.5	24.3	7.7	
\$1,000 under \$2,000.....	2.3	11.9	7.8	87.0	85.8	6.2	2.3	99.9	44.6	70.4	8.8	71.1	24.3	70.8	48.4	
\$2,000 under \$3,000.....	1.9	6.9	1.9	12.5	18.3	1.9	1.2	12.6	15.4	7.5	7.7	7.7	4.0	7.0	7.0	
\$3,000 under \$4,000.....	1.9	6.1	1.9	11.5	13.7	2.1	1.9	11.6	14.1	6.4	6.4	6.4	8.4	4.5	4.5	
\$4,000 under \$5,000.....	2.0	2.8	2.0	3.0	3.9	2.9	3.0	3.0	3.9	6.7	5.2	5.2	6.9	7.7	7.7	
\$5,000 under \$6,000.....	2.0	2.5	2.0	2.6	2.9	2.7	2.5	2.7	2.7	8.2	9.5	8.2	8.2	3.6	3.6	
\$6,000 under \$7,000.....	1.9	2.4	1.9	2.5	2.7	2.5	2.3	2.5	2.7	8.3	8.3	8.3	8.9	7.8	7.8	
\$7,000 under \$8,000.....	2.0	2.2	2.0	2.3	2.5	2.5	2.3	2.3	2.5	4.9	5.4	4.9	5.4	4.3	4.3	
\$8,000 under \$9,000.....	2.0	2.2	2.0	2.2	2.5	2.5	2.2	2.2	2.5	6.0	6.0	6.0	6.0	8.3	8.3	
\$9,000 under \$10,000.....	2.1	2.1	2.1	2.2	2.4	2.4	2.2	2.2	2.5	5.1	5.1	5.1	5.1	8.0	8.0	
\$10,000 under \$11,000.....	1.7	1.8	1.7	1.8	2.0	2.0	1.8	1.8	2.0	7.3	7.3	7.3	7.3	4.5	4.5	
\$11,000 under \$12,000.....	1.8	1.8	1.8	1.8	2.0	2.0	1.8	1.8	2.0	5.8	5.8	5.8	5.8	4.2	4.2	
\$12,000 under \$13,000.....	1.9	1.9	1.9	1.9	2.1	2.1	1.9	1.9	2.1	7.5	7.5	7.5	7.5	4.4	4.4	
\$13,000 under \$14,000.....	2.0	2.0	2.0	2.0	2.1	2.1	2.0	2.0	2.1	6.8	6.8	6.8	6.8	5.0	5.0	
\$14,000 under \$15,000.....	2.0	2.0	2.0	2.0	2.2	2.2	2.0	2.0	2.2	5.3	5.3	5.3	5.3	5.2	5.2	
\$15,000 under \$16,000.....	1.9	1.9	1.9	1.9	2.0	2.0	1.9	1.9	2.0	6.2	6.2	6.2	6.2	4.4	4.4	
\$16,000 under \$17,000.....	1.9	1.9	1.9	1.9	2.1	2.1	1.9	1.9	2.1	4.3	4.3	4.3	4.3	3.6	3.6	
\$17,000 under \$18,000.....	2.0	2.0	2.0	2.0	2.1	2.1	2.0	2.0	2.1	4.3	4.3	4.3	4.3	4.1	4.1	
\$18,000 under \$19,000.....	2.0	2.0	2.0	2.0	2.1	2.1	2.0	2.0	2.1	5.8	5.8	5.8	5.8	3.1	3.1	
\$19,000 under \$20,000.....	2.0	2.0	2.0	2.0	2.2	2.2	2.0	2.0	2.2	4.3	4.3	4.3	4.3	3.8	3.8	
\$20,000 under \$25,000.....	7	7	7	7	7	7	7	7	7	4.3	4.3	4.3	4.3	0	0	
\$25,000 under \$30,000.....	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.7	2.7	2.7	2.7	3.0	3.0	
\$30,000 under \$40,000.....	5	5	5	5	5	5	5	5	5	2.3	2.3	2.3	2.3	3.0	3.0	
\$40,000 under \$50,000.....	1.3	1.3	1.3	1.3	1.4	1.4	1.3	1.3	1.4	2.1	2.1	2.1	2.1	1.2	1.2	
\$50,000 under \$75,000.....	5	5	5	5	6	6	5	5	6	8.1	8.1	8.1	8.1	1.2	1.2	
\$75,000 under \$100,000.....	1.5	1.5	1.5	1.5	1.6	1.6	1.5	1.5	1.6	6	6	6	6	1.0	1.0	
\$100,000 under \$200,000.....	3	3	3	3	3	3	3	3	3	5.8	5.8	5.8	5.8	1.5	1.5	
\$200,000 under \$500,000.....	5	5	5	5	6	6	5	5	6	5.2	5.2	5.2	5.2	10.5	10.5	
\$500,000 under \$1,000,000.....	0	0	0	0	0	0	0	0	0	0	0	0	0	3.8	3.8	
\$1,000,000 or more.....	6	6	6	6	6	6	6	6	6	0	0	0	0	0	0	
Total nontaxable returns	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28	28
All returns, summary:																
Under \$5,000.....	6	1.6	2.0	1.8	2.3	1.8	1.8	1.8	2.5	19.4	10.4	20.9	7.3	29.3	7.3	
\$5,000 under \$10,000.....	7	1.6	2.0	1.8	2.3	1.8	1.8	1.8	2.5	10.4	10.4	10.4	10.4	29.3	29.3	
\$10,000 under \$15,000.....	2	0.8	1.0	0.8	1.0	0.8	0.8	0.8	1.0	4.9	3.6	4.9	4.9	23.7	23.7	
\$15,000 under \$20,000.....	3	0.3	0.5	0.3	0.5	0.3	0.3	0.3	0.5	2.5	2.5	2.5	2.5	19.0	19.0	
\$20,000 or more.....	1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.2	4.5	3.5	4.5	4.5	2.6	2.6	

Footnote(s) at end of table.

Table 7.2 — Coefficient of Variation for Tax Liability and Taxpayments, by Size of Adjusted Gross Income — Continued

[Coefficient of variation for number of returns and amounts (percent)]

Size of adjusted gross income	Taxpayments										Credit for tax on certain gasoline, fuel, and oil			
	Total		Income tax withheld		Estimated tax payments		Payment with request for extension of filing time		Excess social security taxes withheld					
	Number of returns (25)	Amount (26)	Number of returns (27)	Amount (28)	Number of returns (29)	Amount (30)	Number of returns (31)	Amount (32)	Number of returns (33)	Amount (34)		Number of returns (35)	Amount (36)	
All returns, total.....	1	1	1	2	8	6	3	1	1	2	2	2	2	3
No adjusted gross income.....	46	5.0	6.1	7.0	8.0	8.2	3.0	1.8	2.1	2.2	2.7	9.7	9.7	
\$1 under \$1,000.....	2.5	5.1	2.5	4.1	2.5	3.2	7.5	8.3	1.7	1.9	1.1	2.5	2.5	
\$1,000 under \$2,000.....	2.1	2.8	2.1	2.1	1.8	2.1	5.6	5.1	1.3	1.3	2.5	2.8	2.8	
\$2,000 under \$4,000.....	2.1	2.4	2.1	2.1	1.8	1.8	3.5	4.2	1.8	1.8	2.2	2.8	2.8	
\$4,000 under \$8,000.....	2.2	2.4	2.2	2.6	1.8	1.8	3.1	3.7	1.0	1.0	2.2	3.0	3.0	
\$8,000 under \$16,000.....	2.2	2.6	2.2	2.7	1.8	1.8	3.0	3.8	1.0	1.0	2.2	3.0	3.0	
\$16,000 under \$32,000.....	2.2	2.4	2.2	2.4	1.8	1.8	2.8	3.3	1.0	1.0	2.2	3.0	3.0	
\$32,000 under \$64,000.....	2.1	2.1	2.1	2.1	1.8	1.8	2.7	3.3	1.1	1.1	2.2	3.0	3.0	
\$64,000 under \$128,000.....	2.1	2.1	2.1	2.1	1.8	1.8	2.7	3.3	1.1	1.1	2.2	3.0	3.0	
\$128,000 under \$256,000.....	2.0	2.1	2.0	2.1	1.8	1.8	2.7	3.3	1.1	1.1	2.2	3.0	3.0	
\$256,000 under \$512,000.....	2.0	2.1	2.0	2.1	1.8	1.8	2.7	3.3	1.1	1.1	2.2	3.0	3.0	
\$512,000 under \$1,024,000.....	2.0	2.1	2.0	2.1	1.8	1.8	2.7	3.3	1.1	1.1	2.2	3.0	3.0	
\$1,024,000 or more.....	2.0	2.1	2.0	2.1	1.8	1.8	2.7	3.3	1.1	1.1	2.2	3.0	3.0	
Total nontaxable returns.....	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	
All returns, summary:														
Under \$5,000.....	7.7	1.2	7.7	1.2	4.6	5.4	16.1	13.2	16.7	13.6	6.6	7.4	7.4	
\$5,000 under \$10,000.....	7.7	1.9	7.7	1.8	2.8	3.2	11.7	17.5	61.0	17.5	8.3	10.2	10.2	
\$10,000 under \$15,000.....	7.7	2.5	7.7	1.8	2.7	3.2	11.9	14.9	39.5	14.9	7.4	9.6	9.6	
\$15,000 under \$20,000.....	7.7	3.2	7.7	2.2	2.7	3.7	3.0	1.9	2.1	2.2	3.6	4.4	4.4	
\$20,000 or more.....	1.3	1.3	1.3	1.3	3.4	4.2	10.6	14.5	17.8	14.9	4.6	5.4	5.4	
No adjusted gross income.....	20.4	6.6	15.0	10.9	23.4	11.7	3.1	1.8	2.1	2.2	3.3	3.9	3.9	
\$1 under \$1,000.....	43.8	70.3	43.8	70.3	88.8	92.1	51.5	9.8	35.6	20.5	40.4	35.5	35.5	
\$1,000 under \$2,000.....	18.1	91.8	18.1	91.8	93.5	92.1	64.6	6.8	9.6	8.2	76.1	76.1	76.1	
\$2,000 under \$4,000.....	3.2	20.3	3.2	20.3	31.7	31.7	25.6	24.2	9.1	9.1	82.7	82.7	82.7	
\$4,000 under \$8,000.....	2.8	3.4	2.8	3.4	19.1	19.1	50.6	48.2	9.1	9.1	57.1	59.8	59.8	
\$8,000 under \$16,000.....	2.6	2.8	2.6	2.8	8.8	8.8	10.2	4.0	—	—	58.2	59.4	59.4	
\$16,000 under \$32,000.....	2.5	2.6	2.5	2.6	8.1	8.1	4.3	4.2	86.3	94.0	39.9	43.0	43.0	
\$32,000 under \$64,000.....	2.4	2.6	2.4	2.6	7.2	7.2	7.9	4.5	84.7	91.1	36.2	45.3	45.3	
\$64,000 under \$128,000.....	2.2	2.4	2.2	2.4	6.8	6.8	7.6	4.6	84.7	91.1	32.5	30.3	30.3	
\$128,000 under \$256,000.....	1.8	2.0	1.8	2.0	5.8	5.8	6.3	2.8	84.7	73.4	26.8	32.0	32.0	
\$256,000 under \$512,000.....	1.9	2.0	1.9	2.0	6.1	6.1	3.8	2.6	84.7	74.9	25.6	27.4	27.4	
\$512,000 under \$1,024,000.....	1.9	2.1	1.9	2.1	5.9	5.9	2.0	2.6	98.1	98.1	21.2	27.4	27.4	
\$1,024,000 or more.....	2.0	2.1	2.0	2.1	6.4	6.4	2.8	3.4	59.0	82.4	25.4	31.2	31.2	
Total nontaxable returns.....	2.1	2.2	2.1	2.2	6.6	6.6	7.0	3.7	73.1	73.1	20.4	25.1	25.1	
\$10,000 under \$16,000.....	1.9	2.0	1.9	2.0	6.1	6.1	3.1	4.2	73.1	73.1	20.9	24.0	24.0	
\$16,000 under \$24,000.....	1.9	2.1	1.9	2.1	6.2	6.2	2.5	2.9	49.2	61.1	17.7	25.9	25.9	
\$24,000 under \$32,000.....	2.0	2.1	2.0	2.1	6.3	6.3	2.1	3.4	36.0	46.0	17.3	21.1	21.1	
\$32,000 under \$40,000.....	2.0	2.1	2.0	2.1	6.5	6.5	3.0	3.5	42.3	45.4	18.3	26.5	26.5	
\$40,000 under \$50,000.....	2.0	2.2	2.0	2.2	6.5	6.5	2.8	3.2	30.7	35.0	21.4	22.6	22.6	
\$50,000 under \$75,000.....	1.5	1.6	1.5	1.6	2.2	2.2	2.1	2.6	7.6	10.6	8.9	12.0	12.0	
\$75,000 under \$100,000.....	1.5	1.7	1.5	1.8	2.9	2.9	1.1	1.5	5.2	6.5	9.5	11.9	11.9	
\$100,000 under \$200,000.....	1.4	1.7	1.4	1.8	2.2	2.2	1.0	1.2	3.6	5.1	7.0	10.5	10.5	
\$200,000 under \$500,000.....	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
\$500,000 under \$1,000,000.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
\$1,000,000 or more.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Total nontaxable returns.....	0.8	1.3	0.8	1.3	3.4	4.2	10.6	14.5	17.8	14.9	4.6	5.4	5.4	

Footnotes(a) at end of table.

Table 7.2 — Coefficient of Variation for Tax Liability and Taxpayments, by Size of Adjusted Gross Income — Continued

[Coefficient of variation for number of returns and amounts (percent)] -

Size of adjusted gross income	Taxpayments—Continued				Refundable credits						Advance earned income credit payments	
	Credit from regulated investment companies		Other taxpayments		Total		Earned income credit, refundable portion		Business energy investment credit, refundable portion		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	
All returns, total.....	17.8	44.8	14.6	40.1	1.7	2.0	1.7	2.0	27.5	25.0	25.8	33.7
No adjusted gross income.....	*80.7	*69.8	46.8	60.9	11.4	18.9	11.4	19.0	*53.8	*78.8	—	—
\$1 under \$1,000.....	—	—	*62.6	*50.9	9.1	10.4	9.1	10.4	—	—	—	—
\$1,000 under \$2,000.....	—	—	*58.1	*65.1	7.2	7.8	7.2	7.8	*70.5	*70.5	—	—
\$2,000 under \$3,000.....	*94.8	*97.6	*44.8	*54.4	6.0	6.4	6.0	6.4	—	—	—	—
\$3,000 under \$4,000.....	—	—	*53.4	*68.6	5.4	6.0	5.4	6.0	*70.6	*70.6	*99.7	*99.7
\$4,000 under \$5,000.....	—	—	37.5	56.6	4.9	5.4	4.9	5.4	—	—	—	—
\$5,000 under \$6,000.....	—	—	32.0	47.9	4.5	5.0	4.5	5.0	—	—	*98.9	*98.9
\$6,000 under \$7,000.....	*99.4	*99.4	54.8	72.2	4.5	5.0	4.5	5.0	—	—	*57.6	*67.4
\$7,000 under \$8,000.....	*98.8	*72.7	*57.2	*83.9	5.1	5.8	5.1	5.8	—	—	*57.8	*69.1
\$8,000 under \$9,000.....	—	—	*51.3	*73.7	7.4	8.6	7.4	8.6	—	—	*44.6	*52.6
\$9,000 under \$10,000.....	*99.3	*99.3	*55.8	*77.4	12.6	15.4	12.6	15.4	—	—	—	—
\$10,000 under \$11,000.....	*99.0	*66.1	—	—	*98.2	*98.2	—	—	*98.2	*98.2	*99.5	*99.5
\$11,000 under \$12,000.....	—	—	—	—	*98.4	*98.4	—	—	*98.4	*98.4	*99.6	*99.6
\$12,000 under \$13,000.....	—	—	*98.3	*98.3	—	—	—	—	—	—	—	—
\$13,000 under \$14,000.....	—	—	—	—	—	—	—	—	—	—	—	—
\$14,000 under \$15,000.....	*98.9	*98.9	—	—	—	—	—	—	—	—	—	—
\$15,000 under \$16,000.....	—	—	—	—	*92.5	*92.5	—	—	*92.5	*92.5	—	—
\$16,000 under \$17,000.....	—	—	*99.3	*99.3	—	—	—	—	—	—	—	—
\$17,000 under \$18,000.....	*82.2	*97.9	—	—	—	—	—	—	—	—	—	—
\$18,000 under \$19,000.....	*94.3	*94.3	*99.5	*99.5	—	—	—	—	—	—	—	—
\$19,000 under \$20,000.....	*99.5	*99.5	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$25,000.....	*67.4	*99.2	—	—	*91.4	*98.5	—	—	*91.4	*98.5	*98.1	*98.1
\$25,000 under \$30,000.....	*76.9	*63.5	—	—	*99.0	*99.0	—	—	*99.0	*99.0	—	—
\$30,000 under \$40,000.....	*48.0	*60.6	*69.5	*98.1	*92.2	*56.1	—	—	*92.2	*56.1	*97.3	*97.3
\$40,000 under \$50,000.....	*55.7	*42.0	*99.6	*99.6	*60.1	*63.5	—	—	*60.1	*63.5	—	—
\$50,000 under \$75,000.....	21.5	47.6	*98.4	*98.4	41.1	44.7	—	—	41.1	44.7	*69.0	*74.3
\$75,000 under \$100,000.....	31.9	50.1	*49.3	*77.4	*71.7	*50.9	—	—	*71.7	*50.9	—	—
\$100,000 under \$200,000.....	16.1	43.5	*76.9	*66.6	34.7	53.1	—	—	34.7	53.1	—	—
\$200,000 under \$500,000.....	9.4	20.2	*44.1	*48.7	30.1	57.7	—	—	30.1	57.7	—	—
\$500,000 under \$1,000,000.....	.0	.0	.0	.0	.0	.0	—	—	.0	.0	—	—
\$1,000,000 or more.....	.0	.0	.0	.0	.0	.0	—	—	.0	.0	.0	.0
Taxable returns, total.....	18.1	48.9	32.0	54.0	29.7	26.2	29.7	26.2	29.7	26.2	37.8	47.8
No adjusted gross income.....	*0	*0	—	—	*0	*0	—	—	*0	*0	—	—
\$1 under \$1,000.....	—	—	—	—	—	—	—	—	—	—	—	—
\$1,000 under \$2,000.....	—	—	—	—	*70.5	*70.5	—	—	*70.5	*70.5	—	—
\$2,000 under \$3,000.....	—	—	—	—	—	—	—	—	—	—	—	—
\$3,000 under \$4,000.....	*98.6	*98.6	—	—	—	—	—	—	—	—	—	—
\$4,000 under \$5,000.....	—	—	—	—	—	—	—	—	—	—	—	—
\$5,000 under \$6,000.....	—	—	*99.4	*99.4	—	—	—	—	—	—	—	—
\$6,000 under \$7,000.....	*99.4	*99.4	*99.8	*99.8	—	—	—	—	—	—	—	—
\$7,000 under \$8,000.....	*99.9	*99.9	*99.2	*99.2	—	—	—	—	—	—	*99.9	*99.9
\$8,000 under \$9,000.....	—	—	*63.2	*84.6	—	—	—	—	—	—	*49.9	*59.7
\$9,000 under \$10,000.....	*99.3	*99.3	*55.8	*77.4	—	—	—	—	—	—	—	—
\$10,000 under \$11,000.....	*99.0	*66.1	—	—	*98.2	*98.2	—	—	*98.2	*98.2	*99.5	*99.5
\$11,000 under \$12,000.....	—	—	—	—	—	—	—	—	—	—	*99.6	*99.6
\$12,000 under \$13,000.....	—	—	*98.3	*98.3	—	—	—	—	—	—	—	—
\$13,000 under \$14,000.....	—	—	—	—	—	—	—	—	—	—	—	—
\$14,000 under \$15,000.....	*98.9	*98.9	—	—	—	—	—	—	—	—	—	—
\$15,000 under \$16,000.....	—	—	—	—	*92.5	*92.5	—	—	*92.5	*92.5	—	—
\$16,000 under \$17,000.....	—	—	*99.3	*99.3	—	—	—	—	—	—	—	—
\$17,000 under \$18,000.....	*82.2	*97.9	—	—	—	—	—	—	—	—	—	—
\$18,000 under \$19,000.....	*94.3	*94.3	*99.5	*99.5	—	—	—	—	—	—	—	—
\$19,000 under \$20,000.....	—	—	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$25,000.....	*67.4	*99.2	—	—	*91.4	*98.5	—	—	*91.4	*98.5	*98.1	*98.1
\$25,000 under \$30,000.....	*78.3	*81.1	—	—	*99.0	*99.0	—	—	*99.0	*99.0	—	—
\$30,000 under \$40,000.....	*48.0	*60.6	*99.8	*99.8	*92.2	*56.1	—	—	*92.2	*56.1	*97.3	*97.3
\$40,000 under \$50,000.....	*55.7	*42.0	*99.6	*99.6	*75.2	*82.3	—	—	*75.2	*82.3	—	—
\$50,000 under \$75,000.....	21.5	47.6	*98.4	*98.4	41.1	44.7	—	—	41.1	44.7	*69.0	*74.3
\$75,000 under \$100,000.....	31.9	50.1	*49.3	*77.4	*72.2	*58.5	—	—	*72.2	*58.5	—	—
\$100,000 under \$200,000.....	16.1	43.5	*76.9	*66.6	34.7	53.1	—	—	34.7	53.1	—	—
\$200,000 under \$500,000.....	9.4	20.2	*44.1	*48.7	30.1	57.7	—	—	30.1	57.7	—	—
\$500,000 under \$1,000,000.....	.0	.0	.0	.0	.0	.0	—	—	.0	.0	—	—
\$1,000,000 or more.....	.0	.0	.0	.0	.0	.0	—	—	.0	.0	.0	.0
Total nontaxable returns.....	72.8	91.2	16.3	26.9	1.7	2.0	1.7	2.0	*63.0	*64.4	*35.2	*42.7
All returns, summary:												
Under \$5,000.....	*93.1	*92.0	21.0	31.7	2.6	3.1	2.6	3.1	*42.3	*54.2	*99.7	*99.7
\$5,000 under \$10,000.....	*61.9	*89.6	22.5	43.9	2.4	2.9	2.4	2.9	—	—	28.6	36.5
\$10,000 under \$15,000.....	*77.3	*55.2	*98.3	*98.3	*70.0	*79.2	—	—	*70.0	*79.2	*70.5	*70.5
\$15,000 under \$20,000.....	*70.8	*90.7	*70.4	*95.9	*92.5	*92.5	—	—	*92.5	*92.5	—	—
\$20,000 or more.....	17.3	49.7	45.3	71.6	29.5	25.5	—	—	29.5	25.5	*50.3	*61.1

Footnote(s) at end of table.

Table 7.3 — Coefficient of Variation for Sources of Income and Tax Items, by State

[Coefficient of variation for number of returns and amounts (percent)]

States	Number of returns		Adjusted gross income less deficit		Salaries and wages		Business and profession net profit less loss		Firm net profit less loss		Partnership net profit less loss		Sales of capital assets net gain less loss		Sales of property other than capital assets net gain less loss	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)		
United States, total	.0	.1	.1	.1	.1	.7	1.7	19.1	1.4	3.8	.9	1.1	2.2	12.5		
Alabama	5	.8	.8	1.0	2.0	6.7	21.7	52.7	13.7	24.9	8.4	9.2	17.6	807.5		
Alaska	28	1.6	3.0	1.7	1.0	7.4	27.7	21.1	8.4	44.5	7.2	10.5	12.6	137.4		
Arizona	9	1.2	1.2	1.3	1.3	6.0	16.8	31.0	10.0	53.2	5.7	6.6	15.8	1,412.6		
Arkansas	6	1.2	1.1	1.9	1.9	5.9	8.9	83.9	13.0	13.8	6.0	10.9	13.4	30.2		
California	2	.3	.4	.4	.4	2.3	8.9	26.3	3.5	13.8	2.5	2.8	6.3	107.5		
Colorado	5	.8	1.0	1.1	1.3	6.2	13.9	69.6	8.6	40.9	5.7	7.0	14.9	105.8		
Connecticut	1.2	1.1	1.5	1.4	2.6	5.8	61.3	289.7	12.1	27.7	6.9	10.5	28.3	97.6		
Delaware	1.4	1.8	1.9	2.3	2.2	5.8	28.4	109.8	14.9	43.6	9.8	21.3	20.8	61.4		
District of Columbia	2.2	2.3	2.5	2.9	4.4	9.1	57.0	61.1	13.7	16.4	8.4	8.7	38.7	130.3		
Florida	.5	.6	.9	1.0	.8	3.8	15.5	1,163.8	7.5	28.6	4.1	4.8	12.2	108.0		
Georgia	6	.9	.8	1.0	1.4	5.5	14.7	33.4	11.5	33.7	7.4	8.1	18.2	40.2		
Hawaii	1.5	1.3	1.8	1.7	1.3	4.1	28.8	93.4	8.5	35.4	6.6	7.4	17.2	44.4		
Idaho	1.0	1.2	1.5	1.7	.9	4.4	10.0	688.2	11.6	55.2	6.6	9.9	12.2	32.3		
Illinois	.3	.4	.5	.6	1.2	3.6	9.5	18.1	6.6	22.4	4.2	5.5	11.5	209.6		
Indiana	4	.6	.7	.8	1.2	5.2	9.9	125.9	13.0	21.5	6.8	11.8	15.1	122.1		
Iowa	4	.9	1.2	1.5	1.6	5.5	6.5	14.7	10.3	17.5	5.1	6.1	9.5	25.3		
Kansas	.7	1.0	1.3	1.5	1.3	6.5	8.3	18.6	10.5	17.5	6.4	10.7	12.8	31.5		
Kentucky	.5	.8	.9	1.1	1.6	7.0	7.6	145.5	11.8	15.1	7.0	8.2	14.0	37.6		
Louisiana	.6	.8	1.0	1.1	1.6	5.6	17.6	211.4	13.5	21.2	9.7	9.7	21.1	87.7		
Maine	1.8	1.7	2.1	2.0	1.3	4.3	22.2	42.3	15.5	29.9	9.8	16.3	15.9	26.1		
Maryland	.9	.8	1.1	1.2	1.5	6.5	20.1	314.0	11.1	20.6	6.9	10.4	23.7	40.4		
Massachusetts	.6	.7	.9	1.1	1.3	4.3	53.1	516.0	11.3	22.4	6.7	9.9	18.0	102.3		
Michigan	.2	1.1	.5	.6	.9	4.3	11.7	64.2	8.3	19.2	4.7	8.3	13.7	91.2		
Minnesota	4	.4	.5	1.0	1.1	6.0	9.3	39.9	10.4	34.2	5.7	8.5	13.7	47.3		
Mississippi	.6	1.0	.9	1.4	1.5	12.1	12.1	18.1	8.3	16.4	8.3	10.9	21.8	463.8		
Missouri	3	.7	.7	1.1	1.1	5.4	7.9	46.4	10.5	33.6	5.9	9.6	12.9	41.6		
Montana	11	1.4	1.7	2.1	1.9	4.6	9.9	75.8	10.8	30.6	6.4	8.9	11.2	22.1		
Nebraska	7	1.1	1.5	1.7	1.5	5.6	7.9	18.5	11.5	35.8	6.6	8.5	11.2	28.2		
Nevada	1.6	1.4	1.9	1.9	2.0	5.3	25.3	25.3	11.2	186.8	7.8	10.8	19.6	400.5		
New Hampshire	2.2	2.0	2.5	2.4	2.5	5.1	32.8	115.6	16.4	39.2	9.8	7.0	24.3	88.8		
New Jersey	.6	.6	.8	.8	1.1	3.5	10.8	145.2	8.1	21.2	4.8	6.6	13.7	144.0		
New Mexico	1.2	1.3	1.4	1.6	1.5	4.0	33.1	111.2	8.4	23.5	5.2	8.9	23.1	111.2		
New York	.4	.5	.5	.7	.7	2.8	16.3	93.4	11.1	28.7	6.8	7.6	14.8	25.5		
North Carolina	.5	.7	.7	.9	1.1	4.9	12.3	1,809.8	6.0	12.7	3.5	4.1	15.4	81.9		
North Dakota	2.0	2.0	2.9	3.1	2.5	8.0	7.4	26.2	16.8	25.5	7.6	12.1	11.7	27.9		
Ohio	3	.4	.5	.6	.9	3.5	10.8	145.2	8.1	21.2	4.8	6.6	13.7	144.0		
Oklahoma	1.7	.8	1.2	1.3	1.3	6.1	8.6	68.0	11.4	53.3	6.8	8.6	12.2	27.3		
Oregon	1	1.0	1.6	1.4	1.8	5.4	13.1	62.1	8.1	30.7	6.0	8.2	12.8	38.1		
Pennsylvania	.2	.4	.5	.6	.6	3.0	13.0	93.9	8.1	14.4	4.6	7.9	14.1	66.3		
Rhode Island	2.0	2.1	2.2	2.3	3.3	5.2	37.3	76.2	17.4	45.6	9.5	14.2	31.0	464.2		
South Carolina	.7	1.0	.9	1.2	1.9	7.2	17.9	401.7	14.6	24.1	8.1	11.1	27.0	102.3		
South Dakota	1.6	2.0	2.7	3.0	1.4	5.2	7.4	25.1	14.2	28.7	6.6	10.5	10.7	40.8		
Tennessee	.8	1.0	1.1	1.3	1.6	5.5	9.9	551.2	11.6	36.4	8.0	10.1	17.5	40.5		
Texas	.3	.4	.5	.6	.7	3.2	5.8	42.0	5.5	12.8	3.8	3.6	7.6	23.7		
Utah	.6	.9	.9	1.2	.4	3.6	13.7	116.0	8.0	62.0	6.5	10.1	17.5	68.9		
Vermont	2.9	2.9	3.3	3.4	2.8	8.0	17.3	71.4	14.1	34.3	9.0	16.4	19.9	110.9		
Virginia	.4	.6	.6	1.0	1.1	5.8	13.5	135.5	10.0	32.7	6.1	10.8	21.0	44.7		
Washington	.5	.6	.9	1.0	1.1	5.1	16.1	146.6	9.1	34.0	5.6	8.3	15.0	224.1		
West Virginia	.8	1.0	1.2	1.3	2.2	6.3	23.6	161.7	16.2	24.8	11.0	14.4	24.4	65.8		
Wisconsin	.3	.6	.6	.8	1.0	6.2	10.7	22.4	11.2	26.2	6.2	10.5	13.1	29.7		
Wyoming	1.4	1.6	1.6	1.6	1.9	5.5	10.9	37.6	10.1	104.0	6.1	6.7	12.1	39.5		
APD/FPO	7.7	8.0	7.8	8.0	*52.5	*195.8	—	—	*70.3	*78.5	33.1	114.7	—	—		
Puerto Rico	6.0	8.9	13.1	14.0	*63.2	*83.2	—	—	*61.2	*61.2	36.1	64.3	—	—		
U.S. citizens abroad ^a	3.9	4.0	5.4	4.3	17.2	52.3	52.2	54.8	30.3	157.2	17.5	19.2	69.3	223.2		

Footnote(s) at end of table.

Table 7.3 — Coefficient of Variation for Sources of Income and Tax Items, by State — Continued

[Coefficient of variation for number of returns and amounts (percent)]

States	Domestic and foreign dividends received		Interest received		Rent net income less loss		Royalty net income less loss		Estate or trust net income less loss		Pensions and annuities in adjusted gross income			
	Total Number of returns (15)	Amount (16)	In adjusted gross income Number of returns (17)	Amount (18)	Number of returns (19)	Amount (20)	Number of returns (21)	Amount (22)	Number of returns (23)	Amount (24)	Number of returns (25)	Amount (26)	Number of returns (27)	Amount (28)
United States, total	7	1.1	9	1.1	3	.8	1.0	17.2	3.2	4.1	3.1	4.1	1.2	1.5
Alabama	6.9	9.3	8.3	9.6	3.1	7.0	9.2	56.8	28.6	33.2	27.6	27.4	10.4	11.8
Alaska	7.5	22.3	10.5	23.9	4.5	9.7	7.0	18.5	46.3	81.1	33.6	52.0	13.5	18.1
Arizona	7.4	7.4	6.7	7.5	2.7	5.1	7.3	84.0	22.7	81.8	19.0	27.2	7.7	8.5
Arkansas	8.4	12.7	10.0	13.0	3.6	7.2	8.7	24.1	20.2	32.2	26.4	28.4	10.5	12.3
California	2.2	3.4	2.7	3.5	1.0	2.3	2.7	13.0	10.2	14.8	7.9	12.0	3.7	4.5
Colorado	5.7	7.9	6.9	8.2	2.7	5.8	6.6	288.7	19.4	27.9	30.2	24.7	8.9	10.6
Connecticut	4.9	6.7	5.7	7.5	2.3	6.1	8.3	108.7	47.3	47.3	19.9	26.1	9.2	11.5
Delaware	6.3	6.7	7.5	6.8	5.9	9.4	13.0	165.7	44.5	48.8	29.1	14.6	10.4	12.3
District of Columbia	7.3	6.7	7.5	6.8	5.9	11.9	11.6	45.8	31.5	32.4	25.2	20.8	10.0	12.2
Florida	3.3	4.7	4.0	4.8	1.7	3.7	5.6	299.8	20.7	23.1	13.1	15.0	4.5	5.5
Georgia	6.0	9.4	7.3	9.7	3.0	7.1	8.3	78.0	33.0	57.3	23.2	32.4	9.4	11.6
Hawaii	6.0	9.8	7.5	10.3	3.1	5.0	7.6	55.0	41.3	23.5	23.9	19.9	9.3	10.7
Idaho	8.2	12.3	9.5	12.8	3.5	7.9	7.9	79.9	39.2	77.1	35.7	41.0	11.5	14.3
Illinois	3.0	4.9	3.7	5.1	1.4	3.3	4.3	45.9	17.5	25.9	14.6	15.1	5.8	7.5
Indiana	5.1	7.6	6.4	7.9	2.1	5.8	7.3	21.3	30.1	53.2	24.3	33.2	8.3	10.9
Iowa	5.1	7.9	6.5	8.2	2.0	5.4	6.5	14.0	38.7	70.5	24.2	26.0	10.4	13.7
Kansas	6.2	7.9	7.5	8.6	2.7	6.7	7.0	22.4	13.9	19.2	23.6	20.0	10.6	13.9
Kentucky	6.2	7.9	7.5	8.6	2.7	6.7	7.0	22.4	13.9	19.2	23.6	20.0	10.6	13.9
Louisiana	6.2	7.9	7.5	8.6	2.7	6.7	7.0	22.4	13.9	19.2	23.6	20.0	10.6	13.9
Maine	6.7	8.4	8.1	8.4	3.3	6.8	8.3	30.8	13.6	17.4	41.8	51.5	11.8	12.4
Massachusetts	7.5	10.9	8.0	11.2	4.1	9.0	10.1	138.9	59.0	62.0	26.0	34.2	10.2	12.1
Maryland	7.4	7.4	5.9	7.7	2.4	5.9	8.4	122.6	35.3	193.0	18.4	21.5	7.7	9.6
Massachusetts	4.5	6.6	5.4	6.8	1.8	4.8	6.7	62.3	32.8	130.6	15.7	17.8	8.0	10.3
Michigan	3.5	6.1	6.1	6.3	1.6	4.2	5.8	86.9	27.1	26.7	19.2	26.5	6.4	8.4
Minnesota	5.2	8.4	6.5	8.7	2.0	5.4	7.5	31.2	43.8	68.0	25.5	35.2	8.7	12.1
Mississippi	7.5	11.7	9.2	12.0	3.9	7.6	9.3	23.7	20.6	20.6	32.8	34.2	12.9	14.5
Missouri	5.5	8.6	6.9	8.9	2.3	5.8	7.7	36.1	21.6	30.9	23.3	35.3	8.4	11.4
Montana	6.7	10.3	8.2	10.7	4.0	7.0	7.7	22.4	20.8	23.7	26.7	48.0	11.5	15.6
Nebraska	6.8	10.6	8.7	11.0	2.9	7.7	7.7	16.7	26.2	37.6	29.4	31.7	11.5	15.6
Nevada	8.5	10.1	10.7	10.4	5.0	6.7	8.5	37.1	37.1	49.4	29.0	26.8	13.8	12.3
New Hampshire	6.9	10.5	8.7	10.8	3.7	7.3	9.7	32.5	32.7	36.2	28.3	27.8	11.3	12.6
New Jersey	3.4	5.4	4.0	5.6	1.6	3.8	6.0	81.9	31.2	75.9	20.6	25.1	6.5	8.2
New Mexico	6.4	10.1	8.3	10.6	3.3	6.5	7.3	41.6	17.5	20.3	26.6	27.1	11.1	11.5
New York	2.5	3.2	2.9	3.3	1.1	2.7	4.3	34.3	16.7	62.2	11.8	11.5	4.4	5.6
North Carolina	9.2	9.2	6.5	9.6	2.7	5.7	7.3	17.8	63.9	57.5	25.1	38.6	10.2	12.4
North Dakota	8.2	15.3	10.5	16.2	3.8	8.0	6.3	13.4	20.7	33.4	32.8	53.5	16.6	21.2
Ohio	3.2	4.8	4.0	4.9	1.5	3.9	5.3	1,869.5	17.2	38.6	16.7	26.1	5.6	7.4
Oklahoma	7.0	8.1	8.4	8.4	3.2	6.2	7.0	18.5	9.3	10.9	23.9	23.3	10.1	11.8
Oregon	6.3	10.2	7.8	10.6	2.6	6.1	6.9	83.6	31.2	31.5	27.2	162.9	9.5	11.8
Pennsylvania	3.1	4.7	3.8	4.9	1.4	3.8	5.6	742.8	22.0	41.3	14.1	19.6	4.9	6.5
Rhode Island	6.6	9.9	7.9	10.2	4.0	6.5	8.8	49.6	55.6	68.0	28.9	30.3	10.7	13.9
South Carolina	7.6	10.9	9.4	11.2	3.5	7.6	9.5	33.4	59.5	50.3	33.8	46.7	11.6	14.5
South Dakota	8.8	11.7	10.3	12.4	3.8	8.9	8.8	18.9	48.2	55.6	43.0	46.5	18.1	23.2
Tennessee	6.6	10.0	8.1	10.3	3.0	9.3	8.4	26.4	35.7	41.9	28.0	34.0	11.3	13.5
Texas	3.4	4.2	4.3	4.4	1.7	3.6	4.2	20.3	24.4	6.5	12.8	12.3	5.7	6.9
Utah	6.3	8.9	8.9	8.9	3.2	6.3	7.4	126.6	24.4	28.1	23.2	51.0	9.1	12.1
Vermont	9.1	11.5	11.5	12.0	5.1	7.1	9.4	221.8	37.6	49.3	24.8	31.8	11.6	14.5
Virginia	4.7	8.5	5.8	8.9	2.3	6.0	7.0	71.2	33.1	50.1	22.5	51.3	6.9	8.4
Washington	5.7	9.4	6.8	9.7	2.1	5.5	6.5	1,075.2	30.7	39.5	22.8	38.0	8.1	10.3
West Virginia	7.7	9.4	9.8	9.8	3.5	7.9	10.2	28.1	24.8	41.6	56.0	45.3	11.0	13.9
Wisconsin	5.2	7.9	6.4	8.2	1.9	5.8	7.1	326.2	39.2	36.8	22.9	30.0	8.8	12.3
Wyoming	9.2	10.9	11.9	11.0	4.5	7.6	6.9	46.4	16.6	20.3	30.0	78.4	13.5	16.5
APCO/FPO	30.3	38.5	32.6	43.6	15.1	28.2	28.3	31.8	—	—	—	—	—	—
Puerto Rico	52.6	59.5	73.9	59.5	43.9	41.5	88.5	10.4	—	—	—	—	—	—
U.S. citizens abroad	13.5	13.2	14.3	13.4	7.6	13.6	12.4	37.3	68.3	66.9	17.0	28.7	23.9	27.9

Footnotes) at end of table.

Table 7.3 — Coefficient of Variation for Sources of Income and Tax Items, by State — Continued

(Coefficient of variation for number of returns and amounts (percent))

States	Small Business Corporation net profit less loss		State income tax refunds		Unemployment compensation			
	Number of returns	Amount	Number of returns	Amount	Total		In adjusted gross income	
					Number of returns	Amount	Number of returns	Amount
	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
United States, total	2.9	8.7	.7	1.0	1.4	2.4	2.6	3.4
Alabama	25.7	145.7	4.5	4.6	10.2	14.7	22.7	30.3
Alaska	21.9	176.0	4.6	4.1	12.1	10.1	9.1	11.4
Arizona	22.0	55.3	5.5	6.6	15.5	22.2	24.4	27.3
Arkansas	19.6	33.4	7.7	7.7	13.8	50.9	31.0	27.1
California	11.8	74.2	1.8	2.1	4.6	8.6	7.8	9.5
Colorado	19.7	40.7	3.4	3.7	15.0	20.6	24.0	28.5
Connecticut	21.3	55.8	12.9	12.4	10.9	33.2	21.7	24.7
Delaware	34.9	31.7	7.6	8.4	18.4	19.9	37.2	29.2
District of Columbia	35.3	99.2	7.9	7.2	35.1	43.0	51.1	37.8
Florida	10.8	18.2	14.3	25.0	10.0	14.1	24.6	32.9
Georgia	23.0	49.6	5.6	7.0	9.4	12.9	20.4	22.3
Hawaii	26.1	55.6	5.0	5.4	17.9	26.2	18.1	27.0
Idaho	18.4	45.6	6.3	7.7	14.2	21.1	20.2	23.8
Illinois	13.1	30.6	4.0	7.4	6.6	8.5	10.6	14.2
Indiana	13.1	29.4	7.2	15.7	9.6	14.1	15.8	23.7
Iowa	17.1	35.0	3.8	4.3	13.1	16.8	23.4	28.1
Kansas	23.1	482.4	5.6	6.1	15.0	19.4	23.8	28.5
Kentucky	19.0	169.2	4.2	4.7	9.8	13.5	18.0	22.5
Louisiana	22.3	43.8	10.8	10.5	13.5	16.4	27.0	33.3
Maine	26.1	99.0	9.0	9.8	15.2	20.1	41.0	31.4
Maryland	22.7	91.4	4.0	4.4	12.3	16.1	19.4	26.5
Massachusetts	25.2	1,327.6	5.2	6.1	9.8	13.4	19.8	24.2
Michigan	19.6	40.1	3.2	4.6	5.2	7.7	7.9	10.2
Minnesota	17.1	25.5	3.5	4.9	11.1	14.7	19.7	23.8
Mississippi	19.8	27.7	7.5	10.2	15.0	38.8	41.4	48.6
Missouri	18.2	63.2	6.1	6.6	8.9	12.3	18.0	24.8
Montana	18.7	73.4	6.2	6.6	16.2	17.5	23.3	30.7
Nebraska	21.3	52.1	6.8	6.7	20.2	22.3	41.9	56.9
Nevada	22.7	589.3	19.9	28.7	21.2	26.4	21.9	34.6
New Hampshire	24.0	102.4	14.0	16.6	15.5	22.9	24.8	33.9
New Jersey	14.7	31.1	3.8	5.5	6.7	8.6	11.6	14.0
New Mexico	26.1	39.9	6.5	8.4	22.2	34.9	41.4	49.0
New York	10.7	58.5	2.1	2.5	4.9	6.5	8.9	11.4
North Carolina	23.4	1,158.5	4.9	5.2	11.6	17.3	29.0	41.3
North Dakota	22.3	36.4	11.0	17.8	19.1	22.0	34.4	37.5
Ohio	17.9	39.2	5.5	7.1	5.7	10.4	10.3	14.0
Oklahoma	17.8	26.5	6.8	7.0	15.2	20.2	37.0	42.6
Oregon	21.5	57.6	4.0	4.5	10.1	13.6	22.0	21.5
Pennsylvania	17.5	80.1	12.7	17.5	4.8	7.1	9.9	13.1
Rhode Island	32.7	49.5	6.3	8.7	14.2	19.9	23.1	38.5
South Carolina	28.3	134.4	5.9	6.1	14.5	18.9	34.5	38.7
South Dakota	23.3	34.8	65.3	57.7	25.0	31.2	48.8	64.0
Tennessee	24.0	42.2	30.1	73.7	8.9	12.6	22.2	28.5
Texas	12.4	95.7	19.3	18.5	9.8	23.9	18.5	23.0
Utah	17.4	113.7	4.3	6.0	16.4	21.3	21.5	25.7
Vermont	23.0	346.6	8.8	11.9	24.1	20.6	34.5	37.5
Virginia	21.5	65.1	4.1	5.0	12.8	24.2	26.9	35.5
Washington	19.0	63.2	17.2	20.6	9.0	12.8	16.0	17.7
West Virginia	34.4	36.6	10.7	13.1	9.8	13.6	16.0	21.5
Wisconsin	23.1	108.3	3.7	5.3	8.9	12.7	16.2	24.6
Wyoming	35.1	60.9	22.3	23.5	16.0	18.7	33.3	38.6
AP0/FPO	—	—	*69.2	*73.0	*66.8	*67.8	*66.8	*76.0
Puerto Rico	*61.2	*61.2	*70.7	*70.7	*54.8	*54.8	—	—
U.S. citizens abroad	71.6	83.1	34.5	32.1	*77.8	*77.8	—	—

Footnote(s) at end of table.

Table 7.3 — Coefficient of Variation for Sources of Income and Tax Items, by State — Continued

[Coefficient of variation for number of returns and amounts (percent)]

States	Exemptions		Total itemized deductions		Taxable income		Income tax after credits		Total income tax		Total tax liability	
	Number of exemptions (37)	Amount (38)	Number of returns (39)	Amount (40)	Number of returns (41)	Amount (42)	Number of returns (43)	Amount (44)	Number of returns (45)	Amount (46)	Number of returns (47)	Amount (48)
United States, total	2	2	4	3	1	1	2	1	2	1	2	1
Alabama	16	16	29	27	11	9	17	11	18	11	17	11
Alaska	16	34	29	55	34	17	33	17	34	17	34	17
Arizona	19	19	24	23	14	10	20	11	20	11	20	11
Arkansas	20	20	42	23	16	13	24	15	25	15	24	15
California	7	7	10	9	4	3	6	4	6	4	6	4
Colorado	19	15	23	20	10	9	17	11	18	11	17	11
Connecticut	15	19	37	30	14	11	17	13	18	13	17	13
Delaware	27	27	46	35	24	19	31	20	32	20	32	20
District of Columbia	42	43	26	38	26	25	36	25	37	25	37	25
Florida	11	11	25	23	7	7	11	8	11	8	11	8
Georgia	14	14	29	25	10	10	14	12	15	12	15	12
Hawaii	20	20	30	27	20	14	27	12	28	12	28	12
Idaho	23	22	36	30	17	13	23	12	26	12	26	12
Illinois	9	9	18	16	5	4	8	6	9	6	9	6
Indiana	13	13	33	30	8	6	11	9	12	9	12	9
Iowa	14	14	31	30	10	9	15	11	17	12	15	11
Kansas	17	17	34	30	12	10	18	12	19	13	18	12
Kentucky	15	15	30	28	10	9	16	11	17	11	17	11
Louisiana	17	17	41	41	10	10	16	11	17	12	17	12
Maine	24	24	50	50	21	18	30	20	31	21	30	20
Maryland	16	16	23	21	11	9	15	11	15	11	15	11
Massachusetts	13	13	24	21	9	8	13	9	15	9	15	9
Michigan	10	10	17	15	6	5	9	6	9	6	9	6
Minnesota	14	14	25	21	8	8	14	10	15	10	15	10
Mississippi	21	21	36	37	14	12	22	13	23	14	23	14
Missouri	14	14	34	32	8	8	13	10	14	10	13	10
Montana	26	26	39	35	18	14	31	14	31	14	31	14
Nebraska	17	17	40	35	13	11	21	13	23	13	23	13
Nevada	28	28	47	46	26	21	31	23	31	23	31	23
New Hampshire	12	12	22	19	7	6	10	8	11	8	10	8
New Jersey	25	25	38	38	20	15	27	15	29	15	29	15
New Mexico	8	8	13	10	5	4	7	5	7	5	7	5
New York	14	14	29	27	8	8	14	10	15	10	14	10
North Carolina	14	14	29	27	8	8	14	10	15	10	14	10
North Dakota	27	27	55	51	25	19	33	20	36	20	33	22
Ohio	9	9	22	20	5	5	8	6	8	6	8	6
Oklahoma	15	15	33	31	11	10	17	11	18	12	17	11
Oregon	18	18	29	26	11	11	16	11	18	11	18	11
Pennsylvania	9	9	21	19	4	4	6	4	6	4	6	4
Rhode Island	26	26	45	40	24	22	32	24	32	24	32	24
South Carolina	18	18	34	34	13	11	19	13	20	13	19	13
South Dakota	22	22	40	34	22	20	36	21	41	21	36	22
Tennessee	17	17	36	36	11	11	16	13	17	13	17	13
Texas	5	5	8	8	2	2	3	2	3	2	3	2
Texas	16	16	22	20	15	11	23	12	24	12	23	12
Utah	31	31	52	51	34	32	47	33	49	33	47	33
Vermont	13	13	25	23	8	7	12	9	13	9	12	9
Virginia	14	14	31	31	8	7	13	10	14	10	13	10
Washington	19	19	56	56	15	11	21	12	22	12	21	13
West Virginia	13	13	25	24	8	7	13	9	14	10	13	10
Wisconsin	20	20	39	32	22	17	30	16	31	16	30	16
Wyoming	68	68	101	92	75	62	83	64	85	64	83	64
APQ/PPQ	10	10	15	15	7	7	9	7	9	7	9	7
Puerto Rico	36	36	48	48	15	15	19	10	24	10	24	10
U.S. citizens abroad ¹	57	57	143	162	50	41	60	41	77	41	73	41

¹Estimates should be used with caution because of the small number of sample returns on which it is based.
²Returns filed from Army Post Office and Fleet Post Office addresses.
³Returns filed by U.S. citizens living in the U.S. possessions or abroad.

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Introduction

The Tax Reform Act of 1976 (Section 2123) requires the annual publication of data on individuals with high incomes as defined under four different income concepts, including the number of such individuals who do not pay any income tax and the importance of various tax provisions in making those individuals nontaxable. Data for the individuals with incomes of \$200,000 or more as well as analyses of the reasons for the nontaxability or very low taxes of some individuals have been, or will be, published for the years 1975 through 1978 by the Office of Tax Analysis, Office of the Secretary of the Treasury. In order to make such data available on a more timely basis and to a wider audience, beginning with data for 1979, selected data for high-income individuals, taxable as well as nontaxable, will be published, without analysis, as part of the Internal Revenue Services's Statistics of Income program.

The section contains 12 tables with data from income tax returns with incomes of \$200,000 or more. Data are shown for all returns, taxable returns, and nontaxable returns. Separate parts of each table contain data on high income returns as defined by each of four different income concepts. The tables show:

- the numbers of returns (total, taxable, and nontaxable) under the various income concepts (Tables 8.1 and 8.7);
- the frequency and amount of various sources of income, exclusions, deductions, and tax credits as well as the relationships between the four income concepts (Tables 8.2 and 8.8);
- the frequencies with which various deductions and tax credits are the most important and second most important items in reducing (or eliminating) income taxes (Tables 8.3 and 8.9);
- the frequency with which various itemized deductions and tax credits occur as certain percentages of income (Table 8.4 and 8.10);
- the distribution of effective tax rates, that is, income tax as a percentage of income (Tables 8.5 and 8.11); and
- the distribution of taxable income as a percentage of total income (Tables 8.6 and 8.12).

*Allan Lerman, of the Office of Tax Analysis, U.S. Treasury Department, designed the tables and prepared the text for this section.

Tables 8.1 through 8.6 contain data with "foreign tax credit" treated as items which reduce U.S. income taxes; this is the treatment on tax returns. Tables 8.7 through 8.12 are similar to the first set of six tables but treat "foreign tax credit" as part of the individual's income tax liability. This different treatment is explained in more detail in the section "Foreign Tax Credits," below.

Economic Income, the Ideal Measure

High-income tax return data are published to help analysts assess the impact and equity of the income tax system on high-income individuals. For this purpose, both income and income taxes must be measured accurately.

Economists generally agree that, for analyzing the impact of taxes, the ideal measure of income over a particular period of time, say a year, is the amount that the individual or family has consumed over that period plus the change in its net worth. For example, if a family spends \$10,000 and saves \$2,000 during the year, economists would say that the family has an income of \$12,000. Similarly, if the family spends \$10,000 but owns an asset that has decreased in value by \$1,000, economists would say that the family has an income of only \$9,000.

A brief examination of the differences between income as defined by economists, so-called economic income, and the adjusted gross income (AGI) concept currently used for purposes of income tax administration, illustrates some of the problems of measuring income, especially for high-income individuals.

Adjusted Gross Income

The concept of adjusted gross income (AGI) has been developed for tax administration. It has never been meant to be an accurate measure of so-called economic income, and it is well-recognized that AGI is deficient as a measure of a taxpayer's economic income. AGI excludes some income from certain sources, such as interest from tax-exempt State and local government bonds, social security benefits, and imputed rent on owner-occupied housing. Also, while not strictly excluded from AGI, income from certain activities is deferred to a later year, or indefinitely, for income tax purposes. Depreciation deductions allowed for income tax purposes which exceed the decrease in economic value often reduce AGI early in the life of an asset, but the resulting lower depreciation deductions in later years may raise AGI. The net effect of accelerated depreciation is to postpone taxes, perhaps indefinitely.¹

¹ The Internal Revenue Code defines AGI as all gross income that is not specifically excluded. Among the exclusions are (1) trade or business deductions (including most such deductions by employees), (2) the deduction for 60 percent of net long-term capital gains, (3) limited deductions for losses from the sale or exchange of property, (4) deductions attributable to rents and royalties, (5) the moving expenses adjustment, and (6) deductions for contributions to individual retirement arrangements and H.R. 10 plans. Gross income includes only income which has been "realized." Thus, for tax purposes, accrued increases or decreases in the value of assets generally are not included in income until a gain or loss is realized by a sale or exchange. Similarly, gross income does not include the value of the services received from the use of durable goods, such as imputed net rent of owner-occupied housing. Finally, interest on State and local government debt and social security benefits are not included in AGI.

² If the sum of tax preferences which were subject to the "minimum tax" exceeded \$10,000 (\$5,000 in the case of married persons filing separate returns), the taxpayer was required to file a Form 4625, listing preferences by amount and type. For such taxpayers, the "tax preferences excluded from adjusted gross income," as tabulated in Tables 8.2 and 8.7, include the following items: the dividend exclusion; the excluded portion of long-term capital gains; the excess of accelerated depreciation over straight-line depreciation on certain real property and personal property subject to a lease; the excess of rapid amortization allowable on certain capital expenditures (such as pollution control facilities) over depreciation otherwise allowable; the excess of percentage depletion over the "adjusted basis" of the property; unrealized gain on the exercise of stock options; and certain intangible drilling costs to the extent that they exceed the otherwise-allowable amortization deduction. The itemized deduction tax preference item (which, along with the excluded long-term capital gains, is reported on Form 6251) does not represent income which has been omitted; hence, it has not been counted as a preference item in calculating a broader measure of income.

Adjusted gross income excludes most changes in net worth, such as the excluded portion of realized long-term capital gains and all accrued, but unrealized, capital gains.

Even though some types of income are excluded, AGI may overstate economic income because some expenses incurred in the production of income are not deductible in the computation of AGI. Most of these expenses are deductible from AGI in calculating taxable income, but only if the taxpayer itemizes his personal deductions. Expenses which fall into this category include certain employee expenses and expenses attributable to a taxpayer's investments (as opposed to his active operation of a trade or business), including, but not limited to, interest expense incurred in connection with investments in securities. Although net capital losses reduce economic income, only the first \$3,000 of net realized capital losses may be deducted in the computation of AGI. Any additional realized losses must be carried forward to future years.

Redefining Income

Ideally, the impact of all taxes should be measured relative to economic income. However, no accurate, detailed data on such a broadly-defined income measure are available from income tax returns (or from any other source) for a cross-section of American taxpayers. As a practical matter, any broad income measure must be calculated from data already available from Federal individual income tax returns. Thus, a more comprehensive income measure must start from AGI and, to the extent that data are available, must make adjustments for omitted income items and for expenses which ought to be deductible in calculating income.

Omitted Income

Tax returns contain information about only a portion of the income which is included in economic income but excluded from AGI. The omitted income which can be identified on tax returns consists of the dividend exclusion of up to \$100 per taxpayer, the excluded portion of long-term capital gains, and the income from sources which were considered to be tax preferences for purposes of the minimum tax. It should be noted that unless such preferences exceed \$10,000, the total amount of such preferences is not recorded, since the taxpayer did not have to file Form 4625.²

Even after including preference income which is not in AGI but which is identifiable on tax returns, several major sources of income for high-income taxpayers are still omitted:

- interest on tax-exempt State and local government bonds;
- certain agricultural expenses which are deducted when paid even though related income items are not includable in income until a later year; and
- straight-line depreciation deductions on real estate to the extent that they exceed economic depreciation.³

For real estate, the combination of a shorter life for tax purposes than the true economic life of the property and the use of accelerated depreciation methods produces tax depreciation deductions which exceed economic depreciation, especially in the early years of ownership. At some future time, income may be correspondingly higher; but in the meantime, the taxpayer has had the interest-free use of the deferred taxes. Also, if taxed in the future, the income may be converted into a long-term capital gain which is taxed at a lower rate.

Because sources of income not identifiable from tax return data are excluded, all four income measures may understate economic income. As a consequence, some individuals with high economic incomes may have been omitted completely from the high-income group covered by this report. Moreover, even for the individuals included, the income of some will be understated and taxes as a percentage of income (that is, the effective tax rate) will be overstated.

Investment Expenses

In determining economic income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments. Since economic income would include all investment income, it would be proper to deduct all investment expenses without limit. Investment expenses in excess of income would then represent a net economic loss, roughly akin to a net operating loss from a trade or business. However, such a liberal deduction from investment-related expenses is not necessarily correct when all income items are not included currently.

If all income is not included currently, the full deduction for investment expenses might represent a mismatching of receipts and expenses and might result in understating income. For example, if a taxpayer borrows funds to purchase securities, his net income would be understated if he deducts all of his interest payments on the loan but does not include as income any accrued gains on the securities. A similar mismatching of income and expenses could occur if other investment expenses that should properly be capitalized are deducted when they are paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until such time as the income is included on the tax return.

Additional problems are created when a person with a loan has both income-producing assets, such as

securities, and non-income-producing assets, such as a vacation home or yacht. It is not possible to determine what portion of the interest expense should be attributed to the income-producing assets and, therefore, ought to be deductible in measuring income.

As a result of these problems, it has been necessary to set arbitrary limits on the amount of investment expenses which are deductible in calculating a broader measure of income.

Investment expenses which have not been deducted in determining AGI appear on a Federal income tax return in two places. Investment interest appears as part of the itemized deduction for interest; other investment expenses such as management fees are included in the miscellaneous category of itemized deductions. For purposes of determining expenses which should be deductible in calculating an approximation to economic income, investment expenses have been defined as the entire interest deduction other than interest paid on a home mortgage. Other investment expenses could not be determined since they could not be separated from the remainder of "miscellaneous deductions." Hence, they have not been used in the adjustment for investment expenses.

To the extent that interest expenses do not exceed investment income, they are a deduction in the computation of broadly-measured income. One consequence of this definition is that investment expenses can never turn a profitable investment into a losing investment. Generally, allowing investment expenses to offset all of investment income is generous and tends to understate broadly-measured income. On the other hand, limiting investment expenses to investment income may overstate income by disallowing genuine investment losses. This arbitrary procedure has been selected because, with the omission of accrued capital gains from income, allowing all investment expenses to be deducted would represent a mismatching of income and expenses.

The amount of investment income against which investment interest can be offset depends on the amount of investment income included in the income measure under consideration. Investment income consists of interest, dividends, and net capital gains (or losses). However, if only a portion of capital gains are included in the income concept, as is the case with AGI, then only that portion is considered to be investment income. A similar adjustment is also made for the dividend exclusion of up to \$100 per taxpayer.

Expanded Income

The Congress has asked for high-income data to be tabulated on the basis of a measure closely approximating economic income but using only data available on tax returns. This measure is called "expanded income."

Expanded income is defined as adjusted gross income plus items of tax preference income excluded from AGI less investment expenses to the extent that they do not exceed investment income.⁴ Tax preferences that are included are the \$100 per taxpayer exclusion for qualifying dividends, the excluded portion of net long-term capital gains, and, where the taxpayer has

³The omission of social security benefits and certain other items is relatively unimportant for high-income taxpayers.

⁴For the sake of brevity, "investment interest to the extent that it does not exceed investment income" is called "investment interest." "Investment interest in excess of investment income" is called "excess investment interest."

filed a minimum tax form with his tax return, all other preferences subject to the minimum tax.⁵ For individuals, the only preference income items of significance other than the excluded portion of capital gains are the excess of accelerated depreciation over straight-line depreciation on real property and on personal property subject to a lease, the excess of percentage depletion over the cost of the property, and deductions for intangible drilling costs in excess of the amount deductible if these costs had been amortized. Because expanded income is based on tax return data, it excludes items such as interest on tax-exempt State and local bonds, accrued but unrealized capital gains, and straight-line depreciation on real estate in excess of economic depreciation.

Four Income Measures

The Congress has mandated that high-income tax return data be selected and classified on the basis of four definitions of income. Expanded income and AGI have already been discussed. Each of the two other measures embodies only one of the two major conceptual differences between expanded income and AGI. "Adjusted gross income plus preferences" is AGI plus the amount of tax preference income. "Adjusted gross income less investment interest" is AGI less the amount of investment interest to the extent that it does not exceed investment income.

When ranked according to size of income, AGI plus preferences is largest, AGI less investment interest is smallest, and AGI and expanded income fall in the middle. For any given taxpayer, AGI can be larger or smaller than expanded income depending on whether preferences are larger or smaller than investment interest.

The four income concepts are related in the following manner:⁶

Expanded Income
 = Adjusted Gross Income + Preferences - Investment Interest
 Adjusted Gross Income
 = Expanded Income - Preferences + Investment Interest
 Adjusted Gross Income plus Preferences
 = Adjusted Gross Income + Preferences
 or = Expanded Income + Investment Interest
 Adjusted Gross Income minus Investment Interest
 = Adjusted Gross Income - Investment Interest
 or = Expanded Income - Preferences
 Expanded income is the measure which most closely approximates economic income.

Foreign Tax Credits

United States income taxes are based on global (worldwide) income. Thus, U.S. citizens and residents generally must include income on their U.S. income tax returns regardless of whether it is obtained in the United States or in a foreign country. However, when a taxpayer has foreign-source income, the U.S. income tax computed on global income may often be reduced on a dollar-for-dollar basis by the amount of foreign income taxes which have been paid on that foreign income. These offsets for foreign income taxes are called "Foreign Tax Credits."⁷

Statistics of Income data (which are collected as a by-product of tax administration) include global income as reported on U.S. income tax returns, but SOI data usually only include U.S. income taxes after deducting foreign tax credits. Where taxpayers have income from foreign sources, this procedure understates their tax liabilities and their effective tax rates. If all income is reported on tax returns, a more accurate measure of their tax burden is obtained if all income taxes—U.S. as well as foreign—are also included. Analysis of high-income tax returns for previous years has indicated that a substantial portion of the so-called high-income nontaxables had a large share of their income from non-U.S. sources and had paid substantial amounts of foreign income taxes on that income. Thus, it does not seem appropriate to classify these individuals as nontaxable or to classify their foreign tax credits as special tax benefits.

In order to give a more realistic picture of the taxation of individuals with foreign-source income, this section includes six tables (Tables 8.7 through 8.12) for which income tax liability has been redefined to consist of the total amount of U.S. income taxes (income taxes after credits plus the minimum and alternative minimum tax) plus the amount of foreign tax credits. Because information on foreign tax liabilities is not available on, or tabulated from, U.S. income tax returns, foreign tax credit were selected as a proxy for foreign tax liabilities. Where foreign tax rates exceed U.S. rates and in certain other instances, foreign tax credit will be less than foreign tax liabilities. In such cases, using foreign tax credit as a proxy for foreign taxes understates global income taxes. In cases where foreign tax credit are for taxes paid on income from an earlier year, use of foreign tax credit may either overstate or understate global taxes on the current year's income.

Tables 8.1 through 8.6 are based on foreign tax credit as treated on tax returns; that is, as tax credits reducing U.S. income taxes. In those tables, tax liabilities consist solely of U.S. income tax liabilities after deducting any foreign tax credit. Tables 8.7 through 8.12 repeat the contents of the first six tables under the assumption that foreign tax credit represent income tax liabilities. Thus, these tables permit a comparison of global income tax liabilities with global income. For purposes of these tables, income taxes are defined as the amount of U.S. income taxes plus the amount of foreign tax credit.

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

In order to compare the importance of various exclusions, deductions, tax credits, and special tax computations (such as the minimum tax on tax preferences, the maximum tax on personal service income, and income averaging), the different types of items must be put on the same basis. One way of doing so is to calculate the size of the deduction which would be necessary to reduce (or increase) income tax by the same amount as a tax credit. This amount is called the "deduction equivalent" of the tax credit, etc.

⁵See footnote 2.

⁶The borderline between excess and nonexcess investment interest depends on the income items actually included under each income concept. Hence, the investment interest adjustment differs depending on which income definition is used.

⁷Certain amounts of income earned abroad are excluded from AGI by statute. Any foreign taxes paid on such income are not creditable against U.S. income taxes. The tables in this section do not reflect the amounts of income excluded.

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

Under this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated affects the value of their deduction equivalents. Because the tax rate schedules are progressive with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first.

The deduction equivalents of tax credits shown in Tables 8.4 and 8.10 were computed by assuming that deductions and exclusions reduced taxes before tax credits. As a result, the deduction equivalent of tax credits is biased upwards.

The total impact of various deductions, exclusions, tax credits, and special tax computations can only be measured if the aggregate value of these items in reducing, or increasing, income taxes is put on a comparable basis. Two often-used measures of the value of deductions and exclusions are (1) the share of income which has been excluded from tax and (2) the share of income which remains subject to tax. The latter measure can also include the impact of tax credits and special tax computations if the deduction equivalent of these items is added to "taxable income" defined in the ordinary manner. Doing so yields what this report calls "Taxable Income which would yield Income Tax Before Credits," "Taxable Income which would yield Income Tax After Credits," and "Taxable Income which would yield Total Income Tax." These measures could be computed directly from taxable income and from the deduction equivalents of the appropriate items. However, these measures were computed by using the tax rate schedules to calculate the amount of taxable income which would have been necessary (when subject to tax under the appropriate, ordinary tax rate schedule) to yield the given amount of tax.

Unaudited Data

To the extent possible, tax return data used in the Statistics of Income program is as it was reported on tax returns filed with the Internal Revenue Service. In general, obvious arithmetic errors have been corrected, but otherwise most of the data have not been altered. In particular, the data do not reflect any changes which may have been made as a result of audits by IRS. While this is true of data throughout the SOI report, it is of particular relevance for high-income tax returns. Because of the greater complexity of these returns, there is a higher probability of error and more scope for disagreement about the proper interpretation of tax laws.

The fact that the data have been drawn from returns which have not been audited is of even greater importance for those high-income returns which are nontaxable. Almost any audit changes would make such returns taxable. Even where the tax consequences were minor, such returns would be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

Numbers of High-Income Tax Returns

In 1979, the number of tax returns with incomes of \$200,000 or more ranged from 87,612 to 129,437 depending on income concept. These numbers represent about one-tenth of one percent of all tax returns filed.

Of all high income returns, only 56 to 127 were nontaxable, even if only income taxes paid to the United States are included. These nontaxable returns represent less than one-tenth of one percent of all high-income returns.

If nontaxability is measured by worldwide income tax liabilities, only 18 to 74 returns were not subject to tax. At most, such returns represent six one-hundredths of one percent of all high-income returns. Thus, treating foreign tax credit as if they represent tax payments reduces the number of nontaxable high income tax returns by between 42 percent and 68 percent.

Using expanded income, there were 122,231 high-income returns. One-hundred and fourteen returns, or 0.09 percent, showed no U.S. income tax liability, but only 64 returns, or 0.05 percent, showed no worldwide income tax liability.

Table 8.1 — Returns With and Without Total Income Tax: Number of Returns Classified by Size of Income Under Alternative Concepts

[All figures are estimates based on samples]

Size of income under alternative concepts	Size of adjusted gross income				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
Part I — All Returns					
Total	92,694,302	90,352,821	1,889,878	357,872	93,731
Size of expanded income					
Under \$50,000.....	90,158,807	90,112,505	45,898	372	32
\$50,000 under \$100,000.....	2,008,182	231,859	1,765,339	10,828	156
\$100,000 under \$200,000.....	405,082	7,606	76,181	318,790	2,505
\$200,000 or more.....	122,231	851	2,460	27,882	91,038
Size of adjusted gross income plus excluded tax preferences					
Under \$50,000.....	90,079,611	90,079,611	—	—	—
\$50,000 under \$100,000.....	2,065,654	264,172	1,801,482	—	—
\$100,000 under \$200,000.....	419,600	8,121	85,315	326,164	—
\$200,000 or more.....	129,437	917	3,081	31,708	93,731
Size of adjusted gross income less investment interest					
Under \$50,000.....	90,426,154	90,352,821	72,297	927	109
\$50,000 under \$100,000.....	1,838,695	—	1,817,581	20,841	273
\$100,000 under \$200,000.....	341,841	—	—	336,104	5,737
\$200,000 or more.....	87,612	—	—	—	87,612
Part II — Returns With Total Income Tax					
Total	73,395,421	71,063,281	1,881,269	357,210	93,661
Size of expanded income					
Under \$50,000.....	70,870,380	70,825,151	44,827	372	30
\$50,000 under \$100,000.....	1,998,732	229,727	1,758,048	10,805	152
\$100,000 under \$200,000.....	404,192	7,597	75,934	318,163	2,498
\$200,000 or more.....	122,117	806	2,460	27,870	90,981
Size of adjusted gross income plus excluded tax preferences					
Under \$50,000.....	70,793,135	70,793,135	—	—	—
\$50,000 under \$100,000.....	2,054,311	261,175	1,793,136	—	—
\$100,000 under \$200,000.....	418,665	8,099	85,052	325,514	—
\$200,000 or more.....	129,310	872	3,081	31,696	93,661
Size of adjusted gross income less investment interest					
Under \$50,000.....	71,135,419	71,063,281	71,105	927	106
\$50,000 under \$100,000.....	1,831,251	—	1,810,164	20,818	269
\$100,000 under \$200,000.....	341,195	—	—	335,465	5,730
\$200,000 or more.....	87,556	—	—	—	87,556
Part III — Returns With No Total Income Tax					
Total	19,298,881	19,289,540	8,609	662	70
Size of expanded income					
Under \$50,000.....	19,288,427	19,287,354	1,071	—	2
\$50,000 under \$100,000.....	9,450	2,132	7,291	*23	4
\$100,000 under \$200,000.....	890	9	*247	627	7
\$200,000 or more.....	114	45	—	*12	57
Size of adjusted gross income plus excluded tax preferences					
Under \$50,000.....	19,286,476	19,286,476	—	—	—
\$50,000 under \$100,000.....	11,343	2,997	8,346	—	—
\$100,000 under \$200,000.....	935	22	*263	650	—
\$200,000 or more.....	127	45	—	*12	70
Size of adjusted gross income less investment interest					
Under \$50,000.....	19,290,735	19,289,540	1,192	—	3
\$50,000 under \$100,000.....	7,444	—	7,417	*23	4
\$100,000 under \$200,000.....	646	—	—	639	7
\$200,000 or more.....	56	—	—	—	56

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

Table 8.2—Returns With and Without Total Income Tax and With Income \$200,000 or more Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status

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

Item	Returns with adjusted gross income \$200,000 or more						Returns with expanded income \$200,000 or more					
	All returns		Returns with total income tax		Returns with no total income tax		All returns		Returns with total income tax		Returns with no total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages.....	74,665	13,512,345	74,618	13,500,446	47	11,899	93,978	14,840,867	93,924	14,829,071	54	11,796
Business and profession:												
Net profit.....	16,053	2,387,947	16,034	2,384,195	19	3,753	21,418	2,657,823	21,398	2,653,819	20	4,004
Net loss.....	8,184	430,648	8,178	430,606	6	42	11,930	683,445	11,917	679,784	13	3,661
Farm:												
Net profit.....	3,017	186,420	3,014	186,301	3	119	4,127	238,360	4,123	238,219	4	141
Net loss.....	6,320	319,853	6,313	318,410	7	1,443	8,825	439,857	8,821	438,448	4	1,409
Partnership:												
Net profit.....	30,023	3,288,537	30,010	3,285,605	13	2,932	36,825	3,547,258	36,805	3,543,731	20	3,527
Net loss.....	29,657	1,815,586	29,641	1,813,693	16	1,893	40,721	2,687,488	40,686	2,665,259	35	22,229
Small Business Corporation:												
Net profit.....	12,490	1,199,694	12,484	1,199,131	6	563	14,401	1,276,394	14,393	1,275,563	8	831
Net loss.....	6,796	358,889	6,788	358,646	8	244	9,277	472,391	9,255	470,330	*22	*2,060
Sales of capital assets:												
Net gain.....	61,561	8,267,745	61,534	8,267,139	27	606	89,676	10,606,165	89,602	10,591,531	74	14,633
Net loss.....	16,402	37,593	16,388	37,554	14	39	16,548	37,680	16,536	37,647	12	33
Sales of property other than capital assets:												
Net gain.....	8,012	187,013	†	186,993	†	20	11,969	247,401	11,966	247,016	3	384
Net loss.....	4,803	137,739	4,797	136,605	6	1,134	6,673	197,950	6,667	196,797	6	1,153
Dividends in adjusted gross income.....	79,387	7,005,333	79,332	7,000,906	55	4,427	100,839	7,417,620	100,772	7,406,941	67	10,679
Interest received.....	91,777	2,764,915	91,713	2,761,860	64	3,055	119,651	3,313,547	119,544	3,306,171	107	7,377
Pensions and annuities in adjusted gross income.....	8,846	154,449	8,840	154,427	6	22	12,302	188,593	12,295	188,570	7	24
Rent:												
Net income.....	24,505	670,218	24,491	669,671	14	547	31,900	784,337	31,888	783,930	12	407
Net loss.....	17,751	291,969	17,729	291,609	22	360	24,099	402,503	24,048	401,303	51	1,199
Royalty:												
Net income.....	12,139	697,100	12,131	697,055	8	45	16,083	820,429	16,074	820,337	9	92
Net loss.....	1,766	48,694	†	48,574	†	120	2,326	68,229	2,325	68,108	1	120
Estate or trust:												
Net income.....	14,792	650,407	14,787	649,969	5	438	18,862	701,755	18,851	701,173	11	582
Net loss.....	1,329	30,970	†	30,856	†	114	2,017	52,351	2,017	52,351	—	—
State income tax refunds.....	23,619	86,788	23,613	86,760	6	28	30,392	104,376	30,376	104,219	*16	*157
Alimony received.....	203	10,591	203	10,591	—	—	357	13,631	357	13,631	—	—
Other income.....	17,392	291,113	17,376	290,196	16	917	22,655	338,915	22,624	337,544	31	1,371
Other loss.....	3,695	223,889	†	223,809	†	80	5,648	415,796	5,630	408,953	*18	*6,843
Total statutory adjustments.....	32,909	307,421	32,879	307,036	30	384	41,662	381,657	41,618	380,977	44	679
Expanded income.....	93,730	49,074,492	93,661	49,054,096	69	20,397	122,231	56,972,859	122,117	56,932,102	114	40,756
Adjusted gross income plus excluded tax preferences.....	93,731	50,542,570	93,661	50,518,579	70	23,991	122,231	58,448,995	122,117	58,406,650	114	42,345
Adjusted gross income less investment interest.....	93,730	35,915,715	93,661	35,895,762	69	19,953	122,226	39,804,108	122,116	39,789,057	110	15,051
Investment interest per adjusted gross income concept.....	69,985	1,441,981	69,944	1,438,417	41	3,565	89,890	1,454,656	89,846	1,453,089	44	1,567
Investment interest per alternative income concept.....	69,985	1,441,981	69,944	1,438,417	41	3,565	89,935	1,476,137	89,891	1,474,548	44	1,589
Tax preferences excluded from adjusted gross income:												
Total.....	87,649	13,184,874	87,598	13,184,400	51	474	116,325	17,190,231	116,230	17,164,504	95	25,727
Excluded long-term capital gains.....	59,243	11,698,269	59,222	11,697,860	21	408	87,278	15,051,646	87,208	15,031,759	70	19,887
Dividend exclusion.....	81,099	13,316	81,049	13,308	50	8	103,656	16,914	103,592	16,904	64	10
All other.....	20,803	1,518,192	20,800	1,518,135	3	57	30,494	2,227,378	30,479	2,220,482	15	6,896

Footnotes(s) at end of table.

Table 8.2—Returns With and Without Total Income Tax and With Income \$200,000 or more Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status—Continued

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

Item	Returns with adjusted gross income \$200,000 or more						Returns with expanded income \$200,000 or more					
	All returns		Returns with total income tax		Returns with no total income tax		All returns		Returns with total income tax		Returns with no total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Adjusted gross income	93,731	37,357,696	93,661	37,334,178	70	23,517	122,231	41,258,764	122,117	41,242,146	114	16,618
Exemption amount	93,731	326,551	93,661	326,342	70	209	122,231	421,254	122,117	420,920	114	334
Itemized deductions:												
Total per adjusted gross income concept	92,139	7,524,032	92,085	7,511,074	54	12,958	118,626	8,177,010	118,569	8,167,934	57	9,075
Total per alternative income concept	92,139	7,524,032	92,085	7,511,074	54	12,958	118,619	6,700,873	118,562	6,693,387	57	7,486
Contributions deduction	90,004	2,339,158	89,956	2,338,248	48	910	115,387	2,515,349	115,336	2,514,624	51	725
Interest paid deduction:												
Total per adjusted gross income concept	77,777	1,931,208	77,731	1,925,164	46	6,045	99,835	2,007,351	99,786	2,003,866	49	3,485
Total per alternative income concept	77,777	1,931,208	77,731	1,925,164	46	6,045	64,398	531,214	64,354	529,318	44	1,896
Home mortgage interest	48,358	307,075	48,329	306,723	29	352	62,391	385,028	62,349	384,656	42	372
Investment interest exceeding investment income per adjusted gross income concept	10,329	180,829	10,310	178,722	19	2,108	10,057	166,295	10,046	164,771	11	1,524
Investment interest exceeding investment income per alternative income concept	10,329	180,829	10,310	178,722	19	2,108	8,950	144,907	8,940	143,404	10	1,503
Medical and dental expense deduction	45,660	72,888	45,634	72,482	26	406	61,250	96,618	61,214	96,328	36	290
Net casualty or theft loss deduction	12,807	69,781	12,797	66,879	10	2,901	15,449	82,553	15,442	80,334	7	2,218
Taxes paid deduction	92,014	2,562,890	91,963	2,561,733	51	1,158	118,499	2,860,395	118,445	2,859,587	54	809
Miscellaneous deductions	75,574	548,107	75,534	546,568	40	1,538	97,095	614,744	97,052	613,195	43	1,549
Excess itemized deductions	92,115	7,223,078	92,061	7,210,293	54	12,785	118,602	7,790,674	118,545	7,781,772	57	8,902
Zero bracket amount (statutory)	93,731	306,094	93,661	305,870	70	224	122,231	397,866	122,117	397,527	114	339
Excess of exemptions and deductions over adjusted gross income	351	25,524	330	22,487	21	3,038	1,198	115,485	1,154	108,144	44	7,341
Taxable income:												
As computed under current law	93,431	29,832,624	93,381	29,819,126	50	13,498	121,097	33,158,587	121,023	33,143,988	74	14,599
As computed under prior law	93,380	29,527,526	93,331	29,514,189	49	13,337	121,033	32,764,484	120,963	32,750,099	70	14,384
Tax at normal rates	93,380	17,967,035	93,331	17,959,061	49	7,974	121,033	19,538,111	120,963	19,529,654	70	8,456
Tax savings	77,170	1,585,344	77,130	1,584,012	40	1,332	97,948	1,718,563	97,909	1,717,226	39	1,337
Income tax before credits	93,381	16,401,082	93,332	16,394,440	49	6,642	121,052	17,843,846	120,982	17,836,727	70	7,119
Tax credits:												
Total	73,319	530,226	73,270	523,584	49	6,642	93,055	601,476	92,985	594,357	70	7,119
Foreign tax credit	12,157	127,338	12,115	121,206	42	6,132	14,845	132,580	14,795	126,007	50	6,573
Investment credit	51,022	319,736	51,012	319,654	10	82	66,426	379,257	66,403	379,138	23	119
Jobs credit	9,220	77,188	9,216	76,864	4	324	10,585	82,294	10,581	81,971	4	324
Minimum tax reported on Form 1040	5,759	94,436	5,759	94,436	—	—	12,057	172,183	12,057	172,183	—	—
Alternative minimum tax reported on Form 1040	7,271	300,121	7,271	300,121	—	—	17,046	536,341	17,046	536,341	—	—
Total income tax:												
Taxes paid to the U.S.	93,661	16,265,413	93,661	16,265,413	—	—	122,117	17,950,895	122,117	17,950,895	—	—
Foreign taxes paid	—	—	—	—	—	—	—	—	—	—	—	—
Taxable income which would yield:												
Income tax before credits	93,381	27,278,899	93,332	27,267,487	49	11,412	121,052	30,312,006	120,982	30,299,562	70	12,445
Income tax after credits	93,077	26,482,827	93,077	26,482,827	—	—	120,112	29,379,202	120,112	29,379,202	—	—
Total income tax	93,661	27,087,261	93,661	27,087,261	—	—	122,117	30,548,344	122,117	30,548,344	—	—

Footnote(s) at end of table.

Table 8.2 — Returns With and Without Total Income Tax and With Income \$200,000 or more Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status — Continued

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

Item	Returns with adjusted gross income plus excluded tax preferences \$200,000 or more						Returns with adjusted gross income less investment interest \$200,000 or more					
	All returns		Returns with total income tax		Returns with no total income tax		All returns		Returns with total income tax		Returns with no total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Salaries and wages.....	69,418	12,857,962	69,382	12,846,985	36	10,977	99,721	15,456,537	99,657	15,443,881	64	12,656
Business and profession:												
Net profit.....	15,105	2,327,905	15,089	2,324,322	16	3,583	22,741	2,739,085	22,719	2,734,925	22	4,159
Net loss.....	7,431	400,367	7,427	400,341	4	26	12,943	716,654	12,928	712,977	15	3,677
Farm:												
Net profit.....	2,837	181,356	2,834	181,237	3	119	4,304	241,245	4,300	241,104	4	141
Net loss.....	5,842	295,670	5,838	294,261	4	1,409	9,306	461,664	9,299	460,220	7	1,443
Partnership:												
Net profit.....	28,194	3,195,297	28,183	3,192,539	11	2,758	39,081	3,682,932	39,059	3,679,231	22	3,701
Net loss.....	26,970	1,611,739	26,960	1,610,173	10	1,566	43,729	2,846,292	43,688	2,823,735	41	22,557
Small Business Corporation:												
Net profit.....	11,677	1,166,665	11,671	1,166,103	6	563	15,128	1,297,913	15,120	1,297,082	8	831
Net loss.....	5,984	311,009	5,981	310,942	3	67	10,046	493,099	10,019	490,862	27	2,237
Sales of capital assets:												
Net gain.....	56,999	7,979,358	56,981	7,979,022	18	336	95,314	10,816,110	95,232	10,801,287	82	14,822
Net loss.....	15,413	35,074	15,401	35,041	12	33	17,584	40,316	17,570	40,277	14	39
Sales of property other than capital assets:												
Net gain.....	7,380	176,278	7,380	176,278	—	—	12,894	257,505	12,889	257,101	5	405
Net loss.....	4,351	122,828	4,346	121,694	5	1,134	7,215	210,754	7,208	209,601	7	1,153
Dividends in adjusted gross income.....	73,937	6,614,204	73,896	6,611,569	41	2,634	106,669	7,744,233	106,589	7,732,031	80	12,202
Interest received.....	85,783	2,569,638	85,733	2,567,759	50	1,879	126,680	3,473,959	126,560	3,465,452	120	8,508
Pensions and annuities in adjusted gross income.....	8,418	147,300	8,413	147,278	5	22	12,753	195,073	12,746	195,050	7	24
Rent:												
Net income.....	22,843	634,918	22,834	634,642	9	276	33,668	818,186	33,651	817,507	17	679
Net loss.....	16,270	259,445	16,252	259,102	18	343	26,334	447,822	26,279	446,605	55	1,217
Royalty:												
Net income.....	11,408	681,496	11,404	681,476	4	20	16,659	830,725	16,647	830,608	12	117
Net loss.....	1,609	46,172	1,608	46,052	1	120	2,533	70,346	2,532	70,226	1	120
Estate or trust:												
Net income.....	13,963	634,495	13,960	634,149	3	346	19,571	712,745	19,558	712,071	13	675
Net loss.....	1,222	29,677	1,222	29,677	—	—	2,164	53,418	2,163	53,304	1	114
State income tax refunds.....	21,692	80,189	21,689	80,173	3	16	32,532	110,480	32,513	110,311	*19	*169
Alimony received.....	200	10,577	200	10,577	—	—	357	13,631	357	13,631	—	—
Other income.....	15,981	269,540	15,970	268,644	11	896	24,102	350,235	24,067	348,844	35	1,391
Other loss.....	3,341	208,158	3,340	208,078	1	80	6,039	428,625	6,021	421,782	*18	*6,843
Total statutory adjustments.....	30,659	282,120	30,633	281,832	26	287	44,844	408,499	44,796	407,723	48	776
Expanded income.....	87,612	47,803,331	87,556	47,584,783	56	18,548	129,436	58,256,628	129,310	58,214,300	126	42,328
Adjusted gross income plus excluded tax preferences.....	87,612	48,682,776	87,556	48,663,166	56	19,610	129,437	60,074,404	129,310	60,028,236	127	46,168
Adjusted gross income less investment interest.....	87,612	34,865,021	87,556	34,846,702	56	18,319	129,431	40,777,388	129,309	40,760,895	122	16,493
Investment interest per adjusted gross income concept.....	63,866	1,060,229	63,839	1,059,188	27	1,041	97,096	1,786,359	97,039	1,782,549	57	3,810
Investment interest per alternative income concept.....	63,899	1,079,445	63,872	1,078,383	27	1,062	97,096	1,786,359	97,039	1,782,549	57	3,810
Tax preferences excluded from adjusted gross income:												
Total.....	81,706	12,757,526	81,669	12,757,276	37	250	123,355	17,510,657	123,247	17,484,792	108	25,865
Excluded long-term capital gains.....	54,876	11,352,571	54,862	11,352,327	14	244	92,726	15,307,632	92,650	15,287,666	76	19,966
Dividend exclusion.....	75,671	12,406	75,634	12,400	37	6	109,793	17,896	109,717	17,884	76	12
All other.....	19,239	1,432,854	19,239	1,432,854	—	—	32,296	2,293,418	32,278	2,286,466	18	6,953

Footnote(s) at end of table.

Table 8.2 — Returns With and Without Total Income Tax and With Income \$200,000 or more Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status — Continued

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

Item	Returns with adjusted gross income plus excluded tax preferences \$200,000 or more						Returns with adjusted gross income less investment interest \$200,000 or more					
	All returns		Returns with total income tax		Returns with no total income tax		All returns		Returns with total income tax		Returns with no total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Adjusted gross income	87,612	35,925,250	87,556	35,905,890	56	19,360	129,437	42,563,747	129,310	42,543,444	127	20,303
Exemption amount	87,612	304,544	87,556	304,376	56	168	129,437	447,189	129,310	446,819	127	370
Itemized deductions:												
Total per adjusted gross income concept	86,020	6,861,256	85,980	6,853,066	40	8,190	125,832	8,766,660	125,782	8,753,184	70	13,476
Total per alternative income concept	86,020	6,861,256	85,980	6,853,066	40	8,190	125,825	6,980,301	125,755	6,970,635	70	9,666
Contributions deduction	84,067	2,262,301	84,033	2,261,670	34	631	122,368	2,582,973	122,304	2,582,009	64	964
Interest paid deduction:												
Total per adjusted gross income concept	71,658	1,493,118	71,626	1,490,203	32	2,915	107,041	2,404,588	106,979	2,398,256	62	6,332
Total per alternative income concept	71,658	1,493,118	71,626	1,490,203	32	2,915	69,880	618,229	69,825	615,707	55	2,522
Home mortgage interest	44,728	280,618	44,703	280,289	25	330	67,128	416,707	67,083	416,313	45	394
Investment interest exceeding investment income per adjusted gross income concept	9,138	151,018	9,127	149,494	11	1,524	11,480	200,031	11,461	197,924	19	2,108
Investment interest exceeding investment income per alternative income concept	87,612	1,301,350	87,556	1,298,222	56	3,129	11,480	200,031	11,461	197,924	19	2,108
Medical and dental expense deduction	42,671	68,794	42,652	68,533	19	261	64,752	98,944	64,710	98,510	42	434
Net casualty or theft loss deduction	11,746	61,703	11,739	59,485	7	2,218	16,408	88,819	16,398	85,917	10	2,901
Taxes paid deduction	85,906	2,463,794	85,869	2,463,102	37	691	125,702	2,951,306	125,635	2,950,065	67	1,242
Miscellaneous deductions	70,338	511,546	70,310	510,073	28	1,473	103,330	640,030	103,276	638,427	54	1,603
Excess itemized deductions	85,996	6,580,475	85,956	6,572,413	40	8,062	125,808	8,356,649	125,738	8,343,387	70	13,261
Zero bracket amount (statutory)	87,612	285,921	87,556	285,742	56	179	129,437	421,542	129,310	421,162	127	381
Excess of exemptions and deductions over adjusted gross income	117	5,531	106	3,698	11	1,833	1,543	135,767	1,489	127,221	54	8,546
Taxable income:												
As computed under current law	87,522	29,045,478	87,476	29,032,546	46	12,933	128,019	33,890,944	127,942	33,875,883	77	15,061
As computed under prior law	87,495	28,759,870	87,450	28,747,085	45	12,785	127,894	33,474,163	127,821	33,459,327	73	14,836
Tax at normal rates	87,495	17,583,658	87,450	17,575,957	45	7,702	127,894	19,872,119	127,821	19,863,434	73	8,685
Tax savings	72,989	1,559,395	72,951	1,558,069	38	1,326	102,446	1,740,522	102,405	1,739,180	41	1,343
Income tax before credits	87,495	16,042,859	87,450	16,036,484	45	6,375	127,914	18,156,547	127,841	18,149,205	73	7,342
Tax credits:												
Total	68,597	511,131	68,552	504,756	45	6,375	98,645	619,158	98,572	611,816	73	7,342
Foreign tax credit	11,606	125,536	11,568	119,671	38	5,865	15,531	133,849	15,478	127,053	53	6,796
Investment credit	47,697	306,097	47,687	306,014	10	82	70,367	392,420	70,344	392,301	23	119
Jobs credit	8,706	73,891	8,702	73,568	4	324	11,303	85,040	11,299	84,717	4	324
Minimum tax reported on Form 1040	4,927	85,690	4,927	85,690	—	—	—	—	—	—	—	—
Alternative minimum tax reported on Form 1040	5,963	259,762	5,963	259,762	—	—	—	—	—	—	—	—
Total income tax:												
Taxes paid to the U.S.	87,556	15,877,180	87,556	15,877,180	—	—	—	18,275,923	129,310	18,275,923	—	—
Foreign taxes paid	—	—	—	—	—	—	—	—	—	—	—	—
Taxable income which would yield:												
Income tax before credits	87,495	26,549,646	87,450	26,538,778	45	10,868	127,914	30,988,458	127,841	30,975,570	73	12,888
Income tax after credits	87,341	25,788,314	87,341	25,788,314	—	—	—	126,756	30,020,076	126,756	—	—
Total income tax	87,556	26,302,314	87,556	26,302,314	—	—	—	129,310	31,260,334	129,310	31,260,334	—

* Estimate should be used with caution because of the small number of sample returns on which it is based.
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
NOTE: Detail may not add to total because of rounding.

Table 8.4 — Returns With No Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Itemized Deductions as a Percent of Income

[All figures are estimates based on samples]

Type of deduction or credit	Returns with adjusted gross income \$200,000 or more										
	All returns	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total itemized deductions.....	70	16	13	6	†	3	3	†	†	†	23
Interest paid deduction:											
Total.....	70	24	21	6	5	3	—	†	†	†	8
Investment interest per income concept.....	70	29	23	†	4	3	—	†	†	†	4
Investment interest exceeding investment income per concept.....	70	51	11	3	†	†	—	—	†	—	†
Taxes paid deduction.....	70	19	43	5	†	—	—	—	—	—	†
Contributions deduction.....	70	22	41	†	†	†	—	3	—	—	—
Medical and dental expense deduction.....	70	44	24	—	—	—	—	—	†	†	—
Net casualty or theft loss deduction.....	70	60	†	—	—	—	—	—	—	—	†
Miscellaneous deductions.....	70	30	34	3	—	—	—	—	—	—	3
Deduction equivalent of:											
Total credits.....	70	21	†	—	†	†	†	4	†	20	16
Foreign tax credit.....	70	28	—	†	—	—	—	—	—	—	15
Investment credit.....	70	60	†	—	—	—	—	†	—	—	†
Jobs credit.....	70	66	—	—	—	—	—	—	—	—	—
Tax preferences excluded from adjusted gross income.....	70	19	46	3	†	†	—	—	—	—	—

Type of deduction or credit	Returns with expanded income \$200,000 or more										
	All returns	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total itemized deductions.....	114	59	30	3	2	2	2	2	1	—	13
Interest paid deduction:											
Total.....	114	70	37	3	2	—	—	—	—	—	2
Investment interest per income concept.....	114	72	34	2	1	1	1	1	—	—	2
Investment interest exceeding investment income per concept.....	114	103	8	1	—	—	—	—	—	—	2
Taxes paid deduction.....	114	62	46	5	—	—	—	—	—	—	1
Contributions deduction.....	114	64	43	3	1	—	2	1	—	—	—
Medical and dental expense deduction.....	114	80	33	—	—	—	—	—	—	—	1
Net casualty or theft loss deduction.....	114	107	†	—	—	—	—	—	—	—	6
Miscellaneous deductions.....	114	73	34	3	1	—	—	—	—	—	2
Deduction equivalent of:											
Total credits.....	114	44	*15	—	1	*14	—	2	2	19	17
Foreign tax credit.....	114	64	—	1	—	*14	—	3	—	16	16
Investment credit.....	114	91	22	—	—	1	—	—	—	—	—
Jobs credit.....	114	110	—	—	—	—	—	1	1	2	—
Tax preferences excluded from adjusted gross income.....	114	19	36	—	1	1	—	*11	—	—	46

Type of deduction or credit	Returns with adjusted gross income plus excluded tax preferences \$200,000 or more										
	All returns	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
Total itemized deductions.....	127	57	26	*8	2	3	3	1	3	1	23
Interest paid deduction:											
Total.....	127	65	34	*8	5	3	1	2	1	—	8
Investment interest per income concept.....	127	70	37	3	4	3	1	3	1	2	3
Investment interest exceeding investment income per concept.....	127	111	8	3	1	—	—	—	2	—	1
Taxes paid deduction.....	127	60	60	4	1	—	—	—	—	—	2
Contributions deduction.....	127	63	57	2	1	2	2	—	—	—	—
Medical and dental expense deduction.....	127	85	40	—	—	—	—	—	1	1	—
Net casualty or theft loss deduction.....	127	117	2	—	—	—	—	—	—	1	7
Miscellaneous deductions.....	127	73	47	4	—	—	—	—	—	1	2
Deduction equivalent of:											
Total credits.....	127	54	*15	1	1	*13	2	4	2	19	16
Foreign tax credit.....	127	74	—	2	—	*13	2	4	1	16	15
Investment credit.....	127	104	22	—	—	1	—	—	—	—	—
Jobs credit.....	127	123	—	—	—	—	—	1	1	2	—
Tax preferences excluded from adjusted gross income.....	127	19	47	2	2	—	—	*11	—	—	46

Type of deduction or credit	Returns with adjusted gross income less investment interest \$200,000 or more										
	All returns	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)
Total itemized deductions.....	56	18	15	3	2	1	1	2	1	—	13
Interest paid deduction:											
Total.....	56	28	21	3	2	—	—	—	—	—	2
Investment interest per income concept.....	56	31	19	2	1	1	1	1	—	—	—
Investment interest exceeding investment income per concept.....	56	45	8	1	—	—	—	—	—	—	2
Taxes paid deduction.....	56	21	30	4	—	—	—	—	—	—	1
Contributions deduction.....	56	23	28	1	1	—	1	2	—	—	—
Medical and dental expense deduction.....	56	39	16	—	—	—	—	—	—	—	1
Net casualty or theft loss deduction.....	56	49	1	—	—	—	—	—	—	—	6
Miscellaneous deductions.....	56	30	20	3	—	—	—	—	—	—	3
Deduction equivalent of:											
Total credits.....	56	11	2	—	1	2	—	2	2	18	18
Foreign tax credit.....	56	18	—	1	—	2	—	3	—	15	17
Investment credit.....	56	46	9	—	—	1	—	—	—	—	—
Jobs credit.....	56	52	—	—	—	—	—	1	1	2	—
Tax preferences excluded from adjusted gross income.....	56	19	35	1	—	1	—	—	—	—	—

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
 * Estimate should be used with caution because of the small number of sample returns on which it is based.

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Table 8.5 — Returns With and Without Total Income Tax: Number of Returns and Percents Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts

[All figures are estimates based on samples]

Effective tax rate	Size of adjusted gross income					Size of expanded income				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	92,694,302	90,352,821	1,889,878	357,872	93,731	92,694,302	90,158,807	2,008,182	405,082	122,231
Returns with no total income tax:										
Number of returns.....	19,298,881	19,289,540	8,609	662	70	19,298,881	19,288,427	9,450	890	114
Percent of total.....	20.8	21.3	.5	.2	.1	20.8	21.4	.5	.2	.1
Returns with total income tax:										
Number of returns.....	73,395,421	71,063,281	1,881,269	357,210	93,661	73,395,421	70,870,380	1,998,732	404,192	122,117
Percent of total.....	79.2	78.7	99.5	99.8	99.9	79.2	78.6	99.5	99.8	99.9
Effective tax rate:										
Under 5 percent:										
Number of returns.....	12,207,356	12,178,659	23,806	4,362	529	12,366,889	12,320,083	41,586	4,616	604
Percent of total.....	13.2	13.5	1.3	1.2	.6	13.3	13.7	2.1	1.1	.5
5 under 10 percent:										
Number of returns.....	20,493,482	20,446,994	39,747	5,649	1,092	20,650,095	20,533,670	102,962	11,496	1,967
Percent of total.....	22.1	22.6	2.1	1.6	1.2	22.3	22.8	5.1	2.8	1.6
10 under 15 percent:										
Number of returns.....	25,010,312	24,908,761	92,422	7,867	1,262	24,936,342	24,731,295	166,787	33,544	4,716
Percent of total.....	27.0	27.6	4.9	2.2	1.3	26.9	27.4	8.3	8.3	3.9
15 under 20 percent:										
Number of returns.....	11,327,346	11,008,785	304,783	11,417	2,361	11,279,505	10,882,539	351,179	30,908	14,879
Percent of total.....	12.2	12.2	16.1	3.2	2.5	12.2	12.1	17.5	7.6	12.2
20 under 25 percent:										
Number of returns.....	2,880,827	2,245,697	610,906	21,470	2,754	2,810,714	2,157,457	600,898	36,866	15,493
Percent of total.....	3.1	2.5	32.3	6.0	2.9	3.0	2.4	29.9	9.1	12.7
25 under 30 percent:										
Number of returns.....	807,000	232,757	519,866	50,168	4,209	779,360	214,200	491,250	61,818	12,092
Percent of total.....	.9	.3	27.5	14.0	4.5	.8	.2	24.5	15.3	9.9
30 under 35 percent:										
Number of returns.....	359,087	31,420	222,710	96,657	8,300	331,186	25,346	194,003	97,633	14,204
Percent of total.....	.4	—	11.8	27.0	8.9	.4	—	9.7	24.1	11.6
35 under 40 percent:										
Number of returns.....	171,195	2,126	53,164	99,309	16,596	150,073	1,640	42,366	86,956	19,111
Percent of total.....	.2	—	2.8	27.7	17.7	.2	—	2.1	21.5	15.6
40 under 45 percent:										
Number of returns.....	77,313	328	9,699	44,199	23,087	58,337	*166	5,493	31,479	21,199
Percent of total.....	.1	—	.5	12.4	24.6	.1	—	.3	7.8	17.3
45 under 50 percent:										
Number of returns.....	31,261	799	1,707	11,987	16,768	19,806	*716	1,156	6,889	11,045
Percent of total.....	—	—	.1	3.3	17.9	—	—	.1	1.7	9.0
50 under 60 percent:										
Number of returns.....	21,127	1,913	1,596	3,679	13,939	10,555	*1,463	*903	1,970	6,219
Percent of total.....	—	—	.1	1.0	14.9	—	—	—	.5	5.1
60 under 70 percent:										
Number of returns.....	3,605	532	276	251	2,546	693	*29	*75	*14	575
Percent of total.....	—	—	—	.1	2.7	—	—	—	—	.5
70 under 80 percent:										
Number of returns.....	686	358	*134	64	130	*84	1	*68	3	*12
Percent of total.....	—	—	—	—	.1	—	—	—	—	—
80 percent or more:										
Number of returns.....	4,824	4,152	453	131	88	1,782	1,775	6	—	1
Percent of total.....	—	—	—	—	.1	—	—	—	—	—

Footnote(s) at end of table.

Table 8.5 — Returns With and Without Total Income Tax: Number of Returns and Percents Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts — Continued

[All figures are estimates based on samples]

Effective tax rate	Size of adjusted gross income plus excluded tax preferences					Size of adjusted gross income less investment interest				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	92,694,302	90,079,611	2,065,654	419,600	129,437	92,694,302	90,426,154	1,838,695	341,841	87,612
Returns with no total income tax:										
Number of returns	19,298,881	19,286,476	11,343	935	127	19,298,881	19,290,735	7,444	646	56
Percent of total	20.8	21.4	.5	.2	.1	20.8	21.3	.4	.2	.1
Returns with total income tax:										
Number of returns	73,395,421	70,793,135	2,054,311	418,665	129,310	73,395,421	71,135,419	1,831,251	341,195	87,556
Percent of total	79.2	78.6	99.5	99.8	99.9	79.2	78.7	99.6	99.8	99.9
Effective tax rate:										
Under 5 percent:										
Number of returns	12,406,685	12,345,903	52,799	6,942	1,041	12,172,231	12,150,386	18,473	3,082	290
Percent of total	13.4	13.7	2.6	1.7	.8	13.1	13.4	1.0	.9	.3
5 under 10 percent:										
Number of returns	20,749,953	20,616,522	113,725	16,058	3,648	20,393,954	20,355,491	34,115	3,849	499
Percent of total	22.4	22.9	5.5	3.8	2.8	22.0	22.5	1.9	1.1	.6
10 under 15 percent:										
Number of returns	24,989,483	24,765,328	181,588	35,517	7,030	24,945,396	24,863,807	75,383	5,536	670
Percent of total	27.0	27.5	8.8	8.5	5.4	26.9	27.5	4.1	1.6	.8
15 under 20 percent:										
Number of returns	11,191,614	10,756,086	386,369	32,833	16,326	11,412,284	11,134,492	267,572	8,728	1,492
Percent of total	12.1	11.9	18.7	7.8	12.6	12.3	12.3	14.6	2.6	1.7
20 under 25 percent:										
Number of returns	2,760,943	2,079,967	622,688	42,579	15,709	2,934,230	2,337,660	578,446	16,218	1,906
Percent of total	3.0	2.3	30.1	10.1	12.1	3.2	2.6	31.5	4.7	2.2
25 under 30 percent:										
Number of returns	753,467	199,703	472,784	67,543	13,437	828,023	248,291	535,692	41,001	3,039
Percent of total .....	.8	.2	22.9	16.1	10.4	.9	.3	29.1	12.0	3.5
30 under 35 percent:										
Number of returns	317,558	24,639	178,976	98,552	15,391	373,341	33,262	244,279	89,388	6,412
Percent of total .....	.3	—	8.7	23.5	11.9	.4	—	13.3	26.1	7.3
35 under 40 percent:										
Number of returns	141,582	923	38,196	82,312	20,151	183,101	1,985	62,290	104,762	14,064
Percent of total .....	.2	—	1.8	19.6	15.6	.2	—	3.4	30.6	16.1
40 under 45 percent:										
Number of returns	53,524	*165	4,986	28,175	20,198	84,570	1,805	10,295	50,055	22,415
Percent of total .....	.1	—	.2	6.7	15.6	.1	—	.6	14.6	25.6
45 under 50 percent:										
Number of returns	18,344	*708	1,155	6,342	10,139	33,990	907	1,771	13,557	17,755
Percent of total	—	—	.1	1.5	7.8	—	—	.1	4.0	20.3
50 under 60 percent:										
Number of returns	9,882	*1,463	*902	1,811	5,706	24,183	2,006	1,973	4,401	15,803
Percent of total	—	—	—	.4	4.4	—	—	.1	1.3	18.0
60 under 70 percent:										
Number of returns	602	1	*74	—	527	3,969	418	260	356	2,935
Percent of total	—	—	—	—	.4	—	—	—	.1	3.3
70 under 80 percent:										
Number of returns	*75	1	*67	1	*6	676	228	234	67	147
Percent of total	—	—	—	—	—	—	—	—	—	.2
80 percent or more:										
Number of returns	1,729	1,726	2	—	1	5,473	4,681	468	195	129
Percent of total	—	—	—	—	—	—	—	—	—	—

* Estimate should be used with caution because of the small number of sample returns on which it is based.
 — Less than 0.05 percent when accompanied by a frequency (number of returns). All other dashes represent zero.
 NOTE: Detail may not add to total because of rounding.

Table 8.6 — Returns With and Without Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Taxable Income to Specified Alternative Income

[All figures are estimates based on samples]

Specified item	Adjusted gross income			Expanded income			Adjusted gross income plus excluded tax preferences			Adjusted gross income less investment interest		
	Number of returns (1)	Percent of total (2)	Cumulative percent of total (3)	Number of returns (4)	Percent of total (5)	Cumulative percent of total (6)	Number of returns (7)	Percent of total (8)	Cumulative percent of total (9)	Number of returns (10)	Percent of total (11)	Cumulative percent of total (12)
All returns	93,731	100.0	—	122,231	100.0	—	129,437	100.0	—	87,612	100.0	—
Returns with no total income tax	70	.1	—	114	.1	—	127	.1	—	56	.1	—
Returns with total income tax	93,661	99.9	100.0	122,117	99.9	100.0	129,310	99.9	100.0	87,556	99.9	100.0
Ratio of taxable income to alternative income:												
Under 5 percent	59	.1	.1	91	.1	.1	105	.1	.1	57	.1	.1
5 under 10 percent	128	.1	.2	170	.1	.2	219	.2	.3	95	.1	.2
10 under 15 percent	301	.3	.5	283	.2	.4	671	.5	.8	114	.1	.3
15 under 20 percent	605	.6	1.2	778	.6	1.1	1,472	1.1	1.9	269	.3	.6
20 under 25 percent	584	.6	1.8	1,506	1.2	2.3	2,812	2.2	4.1	255	.3	.9
25 under 30 percent	630	.7	2.5	2,861	2.3	4.7	4,331	3.3	7.4	352	.4	1.3
30 under 35 percent	1,044	1.1	3.6	6,233	5.1	9.8	7,927	6.1	13.6	618	.7	2.0
35 under 40 percent	1,497	1.6	5.2	12,285	10.1	19.8	12,299	9.5	23.1	958	1.1	3.1
40 under 45 percent	1,725	1.8	7.0	10,634	8.7	28.5	10,523	8.1	31.2	1,117	1.3	4.4
45 under 50 percent	2,065	2.2	9.2	6,322	5.2	33.7	7,119	5.5	36.7	1,519	1.7	6.1
50 under 60 percent	6,600	7.0	16.3	15,073	12.3	46.1	16,382	12.7	49.4	5,044	5.8	11.9
60 under 70 percent	15,825	16.9	33.2	20,895	17.1	63.2	22,617	17.5	66.9	12,482	14.3	26.1
70 under 80 percent	31,392	33.5	66.7	28,276	23.2	86.3	27,801	21.5	88.4	29,653	33.9	60.0
80 percent or more	31,206	33.3	100.0	16,710	13.7	100.0	15,032	11.6	100.0	35,023	40.0	100.0

* Estimate should be used with caution because of the small number of sample returns on which it is based.
NOTE: Detail may not add to total because of rounding.

Table 8.7 — Returns With and Without Modified Total Income Tax: Number of Returns Classified by Size of Income Under Alternative Concepts

[All figures are estimates based on samples]

Size of income under alternative concepts	Size of adjusted gross income				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
Part I — All Returns					
Total	92,694,302	90,352,821	1,889,878	357,872	93,731
Size of expanded income					
Under \$50,000	90,158,807	90,112,505	45,898	372	32
\$50,000 under \$100,000.....	2,008,182	231,859	1,765,339	10,828	156
\$100,000 under \$200,000.....	405,082	7,606	76,181	318,790	2,505
\$200,000 or more.....	122,231	851	2,460	27,882	91,038
Size of adjusted gross income plus excluded tax preferences					
Under \$50,000	90,079,611	90,079,611	—	—	—
\$50,000 under \$100,000.....	2,065,654	264,172	1,801,482	—	—
\$100,000 under \$200,000.....	419,600	8,121	85,315	326,164	—
\$200,000 or more.....	129,437	917	3,081	31,708	93,731
Size of adjusted gross income less investment interest					
Under \$50,000	90,426,154	90,352,821	72,297	927	109
\$50,000 under \$100,000.....	1,838,695	—	1,817,581	20,841	273
\$100,000 under \$200,000.....	341,841	—	—	336,104	5,737
\$200,000 or more.....	87,612	—	—	—	87,612
Part II — Returns With Modified Total Income Tax					
Total	73,438,012	71,102,604	1,884,069	357,636	93,703
Size of expanded income					
Under \$50,000	70,909,646	70,864,417	44,827	372	30
\$50,000 under \$100,000.....	2,001,355	229,784	1,760,614	10,805	152
\$100,000 under \$200,000.....	404,844	7,597	76,168	318,578	2,501
\$200,000 or more.....	122,167	806	2,460	27,881	91,020
Size of adjusted gross income plus excluded tax preferences					
Under \$50,000	70,832,401	70,832,401	—	—	—
\$50,000 under \$100,000.....	2,056,934	261,232	1,795,702	—	—
\$100,000 under \$200,000.....	419,314	8,099	85,286	325,929	—
\$200,000 or more.....	129,363	872	3,081	31,707	93,703
Size of adjusted gross income less investment interest					
Under \$50,000	71,174,742	71,102,604	71,105	927	106
\$50,000 under \$100,000.....	1,834,051	—	1,812,964	20,818	269
\$100,000 under \$200,000.....	341,625	—	—	335,891	5,734
\$200,000 or more.....	87,594	—	—	—	87,594
Part III — Returns With No Modified Total Income Tax					
Total	19,256,290	19,250,217	5,809	236	28
Size of expanded income					
Under \$50,000	19,249,161	19,248,088	1,071	—	2
\$50,000 under \$100,000.....	6,827	2,075	4,725	*23	4
\$100,000 under \$200,000.....	238	9	*13	212	4
\$200,000 or more.....	64	45	—	1	18
Size of adjusted gross income plus excluded tax preferences					
Under \$50,000	19,247,210	19,247,210	—	—	—
\$50,000 under \$100,000.....	8,720	2,940	5,780	—	—
\$100,000 under \$200,000.....	286	22	*29	235	—
\$200,000 or more.....	74	45	—	1	28
Size of adjusted gross income less investment interest					
Under \$50,000	19,251,412	19,250,217	1,192	—	3
\$50,000 under \$100,000.....	4,644	—	4,617	*23	4
\$100,000 under \$200,000.....	216	—	—	213	3
\$200,000 or more.....	18	—	—	—	18

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

Table 8.8 — Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status

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

Item	Returns with adjusted gross income \$200,000 or more						Returns with expanded income \$200,000 or more					
	All returns		Returns with modified total income tax		Returns with no modified total income tax		All returns		Returns with modified total income tax		Returns with no modified total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Salaries and wages.....	74,665	13,512,345	74,649	13,510,570	16	1,775	93,978	14,840,867	93,952	14,838,975	26	1,891
Business and profession:												
Net profit.....	16,053	2,387,947	16,047	2,387,237	6	710	21,418	2,657,823	21,410	2,656,756	8	1,087
Net loss.....	8,184	430,648	8,179	430,608	5	40	11,930	683,445	11,918	679,787	*12	*3,659
Farm:												
Net profit.....	3,017	186,420	†	186,364	†	56	4,127	238,360	4,124	238,282	3	78
Net loss.....	6,320	319,853	6,316	319,688	4	164	8,825	439,857	8,823	439,724	2	133
Partnership:												
Net profit.....	30,023	3,288,537	30,017	3,287,414	6	1,124	36,825	3,547,258	36,811	3,545,513	*14	*1,745
Net loss.....	29,657	1,815,586	29,650	1,815,254	7	332	40,721	2,687,488	40,694	2,686,812	27	20,676
Small Business Corporation:												
Net profit.....	12,490	1,199,694	12,485	1,199,293	5	400	14,401	1,276,394	14,394	1,275,725	7	669
Net loss.....	6,796	358,889	6,792	358,752	4	137	9,277	472,391	9,257	470,340	*20	*2,051
Sales of capital assets:												
Net gain.....	61,561	8,267,745	61,546	8,267,439	15	306	89,676	10,606,165	89,623	10,593,179	53	12,988
Net loss.....	16,402	37,593	16,399	37,584	3	9	16,548	37,680	16,547	37,677	1	3
Sales of property other than capital assets:												
Net gain.....	8,012	187,013	†	186,993	†	20	11,969	247,401	11,966	247,016	3	384
Net loss.....	4,803	137,739	4,800	137,511	3	228	6,673	197,950	6,669	197,703	4	248
Dividends in adjusted gross income.....	79,387	7,005,333	79,364	7,003,210	23	2,123	100,839	7,417,620	100,801	7,408,895	38	8,725
Interest received.....	91,777	2,764,915	91,751	2,762,845	26	2,070	119,651	3,313,547	119,590	3,307,106	61	6,441
Pensions and annuities in adjusted gross income.....	8,846	154,449	8,842	154,428	4	20	12,302	188,593	12,297	188,571	5	22
Rent:												
Net income.....	24,505	670,218	24,498	669,942	7	276	31,900	784,337	31,894	784,157	6	180
Net loss.....	17,751	291,969	17,744	291,861	7	108	24,099	402,503	24,073	401,580	26	922
Royalty:												
Net income.....	12,139	697,100	12,135	697,061	4	39	16,083	820,429	16,078	820,343	5	86
Net loss.....	1,766	48,694	1,766	48,694	—	—	—	68,229	2,326	68,229	—	—
Estate or trust:												
Net income.....	14,792	650,407	14,788	650,292	4	115	18,862	701,755	18,852	701,496	*10	*259
Net loss.....	1,329	30,970	†	30,856	†	114	2,017	52,351	2,017	52,351	—	—
State income tax refunds.....	23,619	86,788	23,614	86,773	5	15	30,392	104,376	30,377	104,231	*15	*145
Alimony received.....	203	10,591	203	10,591	—	—	357	13,631	357	13,631	—	—
Other income.....	17,392	291,113	17,382	290,383	10	730	22,655	338,915	22,629	337,727	26	1,188
Other loss.....	3,695	223,889	3,695	223,889	—	—	5,648	415,796	5,631	409,033	*17	*6,763
Total statutory adjustments.....	32,909	307,421	32,902	307,342	7	79	41,662	381,657	41,640	381,256	22	401
Expanded income.....	93,730	49,074,492	93,703	49,068,089	27	6,404	122,231	56,972,859	122,167	56,948,958	64	23,901
Adjusted gross income plus excluded tax preferences.....	93,731	50,542,570	93,703	50,533,687	28	8,883	122,231	58,448,995	122,167	58,424,440	64	24,556
Adjusted gross income less investment interest.....	93,730	35,915,715	93,703	35,909,607	27	6,108	122,226	39,804,108	122,166	39,803,738	60	369
Investment interest per adjusted gross income concept.....	69,985	1,441,981	69,964	1,439,519	21	2,462	89,890	1,454,656	89,863	1,454,015	27	642
Investment interest per alternative income concept.....	69,985	1,441,981	69,964	1,439,519	21	2,462	89,935	1,476,137	89,908	1,475,482	27	655
Tax preferences excluded from adjusted gross income:												
Total.....	87,649	13,184,874	87,626	13,184,561	23	313	116,325	17,190,231	116,266	17,166,687	59	23,545
Excluded long-term capital gains.....	59,243	11,698,269	59,230	11,698,017	13	252	87,278	15,051,646	87,225	15,033,937	53	17,709
Dividend exclusion.....	81,099	13,316	81,077	13,312	22	4	103,656	16,914	103,617	16,908	39	6
All other.....	20,803	1,518,192	20,800	1,518,135	3	57	30,494	2,227,378	30,479	2,220,482	15	6,896
Adjusted gross income.....	93,731	37,357,696	93,703	37,349,126	28	8,570	122,231	41,258,764	122,167	41,257,753	64	1,011
Exemption amount.....	93,731	326,551	93,703	326,468	28	83	122,231	421,254	122,167	421,071	64	183

Footnote(s) at end of table.

Table 8.8 — Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status — Continued

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

Item	Returns with adjusted gross income \$200,000 or more						Returns with expanded income \$200,000 or more					
	All returns		Returns with modified total income tax		Returns with no modified total income tax		All returns		Returns with modified total income tax		Returns with no modified total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Itemized deductions:												
Total per adjusted gross income concept.....	92,139	7,524,032	92,112	7,513,578	27	10,455	118,626	8,177,010	118,593	8,170,195	33	6,815
Total per alternative income concept.....	92,139	7,524,032	92,112	7,513,578	27	10,455	118,619	6,700,873	118,586	6,694,713	33	6,160
Contributions deduction.....	90,004	2,339,158	89,980	2,338,691	24	468	115,387	2,515,349	115,357	2,515,051	30	298
Interest paid deduction:												
Total per adjusted gross income concept.....	77,777	1,931,208	77,755	1,926,715	22	4,493	99,835	2,007,351	99,807	2,005,219	28	2,132
Total per alternative income concept.....	77,777	1,931,208	77,755	1,926,715	22	4,493	64,398	531,214	64,372	529,737	26	1,477
Home mortgage interest.....	48,358	307,075	48,348	306,996	10	79	62,391	385,028	62,366	384,910	25	118
Investment interest exceeding investment income per adjusted gross income concept.....	10,329	180,829	10,318	178,898	11	1,931	10,057	166,295	10,053	164,943	4	1,352
Investment interest exceeding investment income per alternative income concept.....	10,329	180,829	10,318	178,898	11	1,931	8,950	144,907	8,947	143,568	3	1,339
Medical and dental expense deduction.....	45,660	72,888	45,648	72,495	12	393	61,250	96,618	61,227	96,341	23	277
Net casualty or theft loss deduction.....	12,807	69,781	12,798	66,883	9	2,898	15,449	82,553	15,442	80,334	7	2,218
Taxes paid deduction.....	92,014	2,562,890	91,989	2,561,987	25	904	118,499	2,860,395	118,468	2,859,824	31	572
Miscellaneous deductions.....	75,574	548,107	75,555	546,806	19	1,300	97,095	614,744	97,071	613,426	24	1,318
Excess itemized deductions.....	92,115	7,223,078	92,088	7,212,709	27	10,370	118,602	7,790,674	118,569	7,783,954	33	6,720
Zero bracket amount (statutory).....	93,731	306,094	93,703	306,005	28	88	122,231	397,866	122,167	397,678	64	188
Excess of exemptions and deductions over adjusted gross income.....	351	25,524	330	22,487	21	3,038	1,198	115,485	1,154	108,144	44	7,341
Taxable income:												
As computed under current law.....	93,431	29,832,624	93,423	29,831,532	8	1,092	121,097	33,158,587	121,073	33,157,262	24	1,325
As computed under prior law.....	93,380	29,527,526	93,373	29,526,459	7	1,067	121,035	32,764,484	121,013	32,763,223	*20	*1,261
Tax at normal rates.....	93,380	17,967,035	93,373	17,966,445	7	591	121,033	19,538,111	121,013	19,537,473	*20	*638
Tax savings.....	77,170	1,585,344	77,165	1,585,235	5	109	97,948	1,718,563	97,942	1,718,444	6	120
Income tax before credits.....	93,381	16,401,082	93,374	16,400,600	7	482	121,052	17,843,846	121,032	17,843,328	*20	*518
Tax credits:												
Total.....	70,396	402,888	70,389	402,406	7	482	89,441	468,896	89,421	468,378	*20	*518
Foreign tax credit.....	—	—	—	—	—	—	—	—	—	—	—	—
Investment credit.....	51,022	319,736	51,015	319,682	7	54	66,426	379,257	66,406	379,167	*20	*90
Jobs credit.....	9,220	77,188	9,216	76,864	4	324	10,585	82,294	10,581	81,971	4	324
Minimum tax reported on Form 1040.....	5,759	94,436	5,759	94,436	—	—	12,057	172,183	12,057	172,183	—	—
Alternative minimum tax reported on Form 1040.....	7,271	300,121	7,271	300,121	—	—	17,046	536,341	17,046	536,341	—	—
Modified total income tax:												
Taxes paid to the U.S.....	93,703	16,392,751	93,703	16,392,751	—	—	122,167	18,083,475	122,167	18,083,475	—	—
Foreign taxes paid.....	12,157	127,338	12,157	127,338	—	—	14,845	132,580	14,845	132,580	—	—
Taxable income which would yield:												
Income tax before credits.....	93,381	27,278,899	93,374	27,277,991	7	907	121,052	30,312,006	121,032	30,310,928	*20	*1,079
Income tax after credits.....	93,178	26,676,146	93,178	26,676,146	—	—	120,277	29,581,949	120,277	29,581,949	—	—
Modified total income tax.....	93,703	27,279,162	93,703	27,279,162	—	—	122,167	30,749,145	122,167	30,749,145	—	—

Footnote(s) at end of table.

Table 8.8 — Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status — Continued

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

Item	Returns with adjusted gross income plus excluded tax preferences \$200,000 or more						Returns with adjusted gross income less investment interest \$200,000 or more					
	All returns		Returns with modified total income tax		Returns with no modified total income tax		All returns		Returns with modified total income tax		Returns with no modified total income tax	
	Number of returns (13)	Amount (14)	Number of returns (15)	Amount (16)	Number of returns (17)	Amount (18)	Number of returns (19)	Amount (20)	Number of returns (21)	Amount (22)	Number of returns (23)	Amount (24)
Salaries and wages.....	69,418	12,857,962	69,409	12,856,827	9	1,135	99,721	15,456,537	99,688	15,454,005	33	2,532
Business and profession:												
Net profit.....	15,105	2,327,905	15,100	2,327,245	5	660	22,741	2,739,085	22,732	2,737,967	9	1,117
Net loss.....	7,431	400,367	7,428	400,343	3	24	12,943	716,654	12,929	712,979	14	3,675
Farm:												
Net profit.....	2,837	181,356	2,835	181,300	2	56	4,304	241,245	4,301	241,167	3	78
Net loss.....	5,842	295,670	5,840	295,537	2	133	9,306	461,664	9,302	461,499	4	164
Partnership:												
Net profit.....	28,194	3,195,297	28,189	3,194,321	5	976	39,081	3,682,932	39,066	3,681,040	15	1,892
Net loss.....	26,970	1,611,739	26,968	1,611,726	2	13	43,729	2,846,292	43,697	2,825,296	32	20,995
Small Business Corporation:												
Net profit.....	11,677	1,166,665	11,672	1,166,265	5	400	15,128	1,297,913	15,121	1,297,244	7	669
Net loss.....	5,984	311,009	5,983	310,952	1	57	10,046	493,099	10,023	490,969	23	2,130
Sales of capital assets:												
Net gain.....	56,999	7,979,358	56,990	7,979,232	9	126	95,314	10,816,110	95,255	10,802,943	59	13,166
Net loss.....	15,413	35,074	15,412	35,071	1	3	17,584	40,316	17,581	40,307	3	9
Sales of property other than capital assets:												
Net gain.....	7,380	176,278	7,380	176,278	—	—	12,894	257,505	12,889	257,101	5	405
Net loss.....	4,351	122,828	4,348	122,600	3	228	7,215	210,754	7,211	210,507	4	248
Dividends in adjusted gross income.....	73,937	6,614,204	73,924	6,613,254	13	950	106,669	7,744,236	106,621	7,734,336	48	9,898
Interest received.....	85,783	2,569,638	85,767	2,568,617	16	1,021	126,680	3,473,959	126,609	3,466,469	71	7,490
Pensions and annuities in adjusted gross income.....	8,418	147,300	8,414	147,279	4	20	12,753	195,073	12,748	195,051	5	22
Rent:												
Net income.....	22,843	634,918	22,840	634,869	3	49	33,668	818,186	33,658	817,778	10	408
Net loss.....	16,270	259,445	16,266	259,354	4	91	26,334	447,822	26,305	446,884	29	938
Royalty:												
Net income.....	11,408	681,496	11,407	681,482	1	14	16,659	830,725	16,651	830,614	8	111
Net loss.....	1,609	46,172	1,609	46,172	—	—	2,533	70,346	2,533	70,346	—	—
Estate or trust:												
Net income.....	13,963	634,495	13,961	634,472	2	23	19,571	712,745	19,559	712,394	12	352
Net loss.....	1,222	29,677	1,222	29,677	—	—	2,164	53,418	2,183	53,304	1	114
State income tax refunds.....	21,692	80,189	21,690	80,186	2	3	32,532	110,480	32,514	110,324	18	1,157
Alimony received.....	200	10,577	200	10,577	—	—	357	13,631	357	13,631	—	—
Other income.....	15,981	269,540	15,974	268,826	7	714	24,102	350,235	24,073	349,031	29	1,204
Other loss.....	3,341	208,158	3,341	208,158	—	—	6,039	428,625	6,022	421,862	17	6,763
Total statutory adjustments.....	30,659	282,120	30,655	282,111	4	9	44,844	408,499	44,819	408,028	25	471
Expanded income.....	87,612	47,603,331	87,594	47,597,963	18	5,368	129,436	58,256,628	129,363	58,231,691	73	24,937
Adjusted gross income plus excluded tax preferences.....	87,612	48,682,776	87,594	48,676,999	18	5,778	129,437	60,074,404	129,363	60,046,743	74	27,661
Adjusted gross income less investment interest.....	87,612	34,865,021	87,594	34,859,828	18	5,193	129,431	40,777,388	129,362	40,776,103	69	1,285
Investment interest per adjusted gross income concept.....	63,866	1,060,229	63,855	1,059,833	11	397	97,096	1,786,359	97,059	1,783,652	37	2,707
Investment interest per alternative income concept.....	63,899	1,079,445	63,888	1,079,035	11	410	97,096	1,786,359	97,059	1,783,652	37	2,707
Tax preferences excluded from adjusted gross income:												
Total.....	81,706	12,757,526	81,693	12,757,338	13	189	123,355	17,510,657	123,286	17,486,988	69	23,669
Excluded long-term capital gains.....	54,876	11,352,571	54,867	11,352,385	9	186	92,726	15,307,632	92,669	15,289,857	57	17,775
Dividend exclusion.....	75,671	12,406	75,658	12,403	13	2	109,793	17,896	109,745	17,888	48	8
All other.....	19,239	1,432,854	19,239	1,432,854	—	—	32,296	2,293,418	32,278	2,286,466	18	6,953
Adjusted gross income.....	87,612	35,925,250	87,594	35,919,661	18	5,589	129,437	42,563,747	129,363	42,559,755	74	3,992
Exemption amount.....	87,612	304,544	87,594	304,489	18	55	129,437	447,189	129,363	446,978	74	211

Footnote(s) at end of table.

Table 8.8 — Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status — Continued

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

Item	Returns with adjusted gross income plus excluded tax preferences \$200,000 or more						Returns with adjusted gross income less investment interest \$200,000 or more					
	All returns		Returns with modified total income tax		Returns with no modified total income tax		All returns		Returns with modified total income tax		Returns with no modified total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
Itemized deductions:												
Total per adjusted gross income concept.....	86,020	6,861,256	86,003	6,854,958	17	6,298	125,832	8,766,660	125,789	8,755,688	43	10,972
Total per alternative income concept.....	86,020	6,861,256	86,003	6,854,958	17	6,298	125,825	8,980,301	125,782	8,972,037	43	8,265
Contributions deduction.....	84,067	2,262,301	84,053	2,262,056	14	244	122,368	2,582,973	122,328	2,582,452	40	521
Interest paid deduction:												
Total per adjusted gross income concept.....	71,658	1,493,118	71,646	1,491,273	12	1,845	107,041	2,404,588	107,003	2,399,808	38	4,780
Total per alternative income concept.....	71,658	1,493,118	71,646	1,491,273	12	1,845	69,880	618,229	69,845	616,156	35	2,073
Home mortgage interest.....	44,728	280,618	44,719	280,542	9	76	67,128	416,707	67,102	416,586	26	121
Investment interest exceeding investment income per adjusted gross income concept.....	9,138	151,018	9,134	149,666	4	1,352	11,480	200,031	11,469	198,101	11	1,931
Investment interest exceeding investment income per alternative income concept.....	87,612	1,301,350	87,594	1,298,638	18	2,712	11,480	200,031	11,469	198,101	11	1,931
Medical and dental expense deduction.....	42,671	68,794	42,664	68,546	7	249	64,752	98,944	64,724	98,523	28	421
Net casualty or theft loss deduction.....	11,746	61,703	11,739	59,485	7	2,218	16,408	88,819	16,399	85,921	9	2,898
Taxes paid deduction.....	85,906	2,463,794	85,891	2,463,306	15	488	125,702	2,951,306	125,661	2,950,319	41	987
Miscellaneous deductions.....	70,338	511,546	70,328	510,293	10	1,253	103,330	640,030	103,297	638,665	33	1,365
Excess itemized deductions.....	85,996	6,580,475	85,979	6,574,231	17	6,244	125,808	8,356,649	125,765	8,345,803	43	10,846
Zero bracket amount (statutory).....	87,612	285,921	87,594	285,864	18	57	129,437	421,542	129,363	421,322	74	220
Excess of exemptions and deductions over adjusted gross income.....	117	5,531	106	3,698	11	1,833	1,543	135,767	1,489	127,221	54	8,546
Taxable income:												
As computed under current law.....	87,522	29,045,478	87,514	29,044,386	8	1,092	128,019	33,890,944	127,995	33,889,619	24	1,325
As computed under prior law.....	87,495	28,759,870	87,488	28,758,803	7	1,067	127,894	33,474,163	127,874	33,472,902	*20	*1,261
Tax at normal rates.....	87,495	17,583,658	87,488	17,583,068	7	591	127,894	19,872,119	127,874	19,871,482	*20	*638
Tax savings.....	72,989	1,559,395	72,984	1,559,287	5	109	102,446	1,740,522	102,440	1,740,403	6	120
Income tax before credits.....	87,495	16,042,859	87,488	16,042,377	7	482	127,914	18,156,547	127,894	18,156,029	*20	*518
Tax credits:												
Total.....	65,759	385,596	65,752	385,114	7	482	94,981	485,309	94,961	484,791	*20	*518
Foreign tax credit.....	—	—	—	—	—	—	—	—	—	—	—	—
Investment credit.....	47,697	306,097	47,690	306,043	7	54	70,367	392,420	70,347	392,330	*20	*90
Jobs credit.....	8,706	73,891	8,702	73,568	4	324	11,303	85,040	11,299	84,717	4	324
Minimum tax reported on Form 1040.....	4,927	85,690	4,927	85,690	—	—	13,168	178,472	13,168	178,472	—	—
Alternative minimum tax reported on Form 1040.....	5,963	259,762	5,963	259,762	—	—	18,683	560,062	18,683	560,062	—	—
Modified total income tax:												
Taxes paid to the U.S.....	87,594	16,002,715	87,594	16,002,715	—	—	129,363	18,409,772	129,363	18,409,772	—	—
Foreign taxes paid.....	11,606	125,536	11,606	125,536	—	—	15,531	133,849	15,531	133,849	—	—
Taxable income which would yield:												
Income tax before credits.....	87,495	26,549,646	87,488	26,548,739	7	907	127,914	30,988,458	127,894	30,987,379	*20	*1,079
Income tax after credits.....	87,424	25,978,528	87,424	25,978,528	—	—	126,983	30,225,200	126,983	30,225,200	—	—
Modified total income tax.....	87,594	26,491,161	87,594	26,491,161	—	—	129,363	19,123,235	129,353	19,123,235	—	—

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

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

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

Table 8.9 — Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Number of Returns and Percents Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect

[All figures are estimates based on samples]

Item with second largest tax effect	Item with the largest tax effect									
	Total		Interest paid deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Returns With Modified Total Income Tax										
Returns with adjusted gross income \$200,000 or more										
Total	93,703	100.0	21,008	22.4	45,587	48.6	17,155	18.3	717	.7
Interest paid deduction	23,486	25.0	—	—	17,884	39.2	3,688	21.5	50	6.9
Taxes paid deduction	28,094	29.9	13,171	62.7	—	—	10,616	61.8	427	59.5
Contributions deduction	23,311	24.8	3,742	17.8	—	—	—	—	88	12.2
Medical and dental expense deduction	92	1.0	121	.5	573	1.2	210	1.2	—	—
Net casualty or theft loss deduction	680	.7	177	.8	384	.8	—	—	—	—
Miscellaneous deductions	8,221	8.7	1,455	6.9	5,077	11.1	1,391	8.1	135	18.8
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	5,805	6.2	1,413	6.7	2,895	6.3	968	5.6	*7	.9
Jobs credit	1,671	1.7	295	1.4	737	1.6	175	1.0	*10	1.3
No second largest item	1,443	1.5	634	3.0	59	.1	—	—	—	—
Returns with expanded income \$200,000 or more										
Total	122,167	100.0	*34,024	27.8	36,426	29.8	28,740	23.5	1,607	1.3
Interest paid deduction	21,557	17.6	—	—	7,078	19.4	9,279	32.2	281	17.4
Taxes paid deduction	16,459	13.4	5,280	15.5	—	—	4,813	16.7	442	27.5
Contributions deduction	34,791	28.4	15,003	44.1	12,086	33.1	—	—	330	20.5
Medical and dental expense deduction	3,351	2.7	397	1.1	1,041	2.8	1,451	5.0	—	—
Net casualty or theft loss deduction	1,624	1.3	393	1.1	707	1.9	400	1.3	2	.1
Miscellaneous deductions	24,642	20.1	5,655	16.6	9,907	27.2	7,965	27.7	347	21.5
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	12,026	9.8	3,193	9.3	4,457	12.2	3,383	11.7	148	9.2
Jobs credit	2,838	2.3	636	1.8	826	2.2	936	3.2	*15	.9
No second largest item	4,879	3.9	3,477	10.2	324	.8	513	1.7	42	2.6
Returns with adjusted gross income plus excluded tax preferences \$200,000 or more										
Total	129,363	100.0	32,952	25.4	59,201	45.7	22,104	17.0	1,267	.9
Interest paid deduction	32,149	24.8	—	—	23,880	40.3	4,925	22.2	97	7.6
Taxes paid deduction	39,610	30.6	20,124	61.0	—	—	13,335	60.3	730	57.6
Contributions deduction	30,234	23.3	5,634	17.1	22,274	37.6	—	—	170	13.4
Medical and dental expense deduction	1,622	1.2	198	.6	927	1.5	352	1.5	—	—
Net casualty or theft loss deduction	949	.7	316	.9	481	.8	129	.5	—	—
Miscellaneous deductions	11,453	8.8	2,428	7.3	6,852	11.5	1,721	7.7	253	19.9
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	7,843	6.0	2,060	6.2	3,814	6.4	1,417	6.4	*7	.5
Jobs credit	2,117	1.6	343	1.0	873	1.4	224	1.0	*10	.7
No second largest item	3,386	2.6	1,849	5.6	95	.3	—	—	—	—
Returns with adjusted gross income less investment interest \$200,000 or more										
Total	87,594	100.0	19,189	21.9	10,961	12.5	25,407	29.0	2,085	2.3
Interest paid deduction	10,639	12.1	—	—	1,502	13.7	2,685	10.5	215	10.3
Taxes paid deduction	4,118	4.7	909	4.7	—	—	911	3.5	49	2.3
Contributions deduction	13,953	15.9	3,276	17.0	2,105	19.2	—	—	275	13.1
Medical and dental expense deduction	7,776	8.8	968	5.0	722	6.5	2,706	10.6	—	—
Net casualty or theft loss deduction	2,850	3.2	525	2.7	415	3.7	1,053	4.1	*18	.8
Miscellaneous deductions	22,276	25.4	6,424	33.4	3,088	28.1	9,601	37.7	607	29.1
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	11,385	13.0	2,610	13.6	2,007	18.3	4,027	15.8	174	8.3
Jobs credit	7,434	8.4	1,336	6.9	825	7.5	2,615	10.2	298	14.2
No second largest item	7,163	8.1	3,141	16.3	297	2.7	1,809	7.1	449	21.5
Returns With No Modified Total Income Tax										
Returns with adjusted gross income \$200,000 or more										
Total	28	100.0	8	28.5	—	—	—	—	—	—
Interest paid deduction	8	28.5	—	—	—	—	—	—	—	—
Taxes paid deduction	8	28.5	5	62.5	—	—	—	—	—	—
Contributions deduction	6	21.4	3	37.5	—	—	—	—	—	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	—	—	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	3	10.7	—	—	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	3	10.7	—	—	—	—	—	—	—	—
Returns with expanded income \$200,000 or more										
Total	64	100.0	37	57.8	*18	28.1	4	6.2	—	—
Interest paid deduction	14	21.8	—	—	*12	66.6	1	25.0	—	—
Taxes paid deduction	8	12.5	4	10.8	—	—	2	50.0	—	—
Contributions deduction	*4	6.2	—	—	*3	16.6	—	—	—	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	3	4.6	—	—	2	11.1	1	25.0	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	1	1.5	—	—	1	5.5	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	34	53.1	33	89.1	—	—	—	—	—	—
Returns with adjusted gross income plus excluded tax preferences \$200,000 or more										
Total	74	100.0	41	55.4	2	2.7	1	1.3	2	2.7
Interest paid deduction	8	10.8	—	—	1	50.0	—	—	2	100.0
Taxes paid deduction	22	29.7	*7	17.0	—	—	—	—	—	—
Contributions deduction	6	8.1	3	7.3	—	—	—	—	—	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	1	1.3	1	2.4	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	4	5.4	—	—	—	—	1	100.0	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	33	44.5	30	73.1	1	50.0	—	—	—	—
Returns with adjusted gross income less investment interest \$200,000 or more										
Total	18	100.0	6	33.3	7	38.8	1	5.5	—	—
Interest paid deduction	4	22.2	—	—	2	28.5	—	—	—	—
Taxes paid deduction	3	16.6	2	33.3	—	—	—	—	—	—
Contributions deduction	5	27.7	—	—	4	57.1	—	—	—	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	1	5.5	—	—	1	14.2	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	1	100.0	—	—
Investment credit	—	—	—	—	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	4	22.2	4	66.6	—	—	—	—	—	—

Footnote(s) at end of table.

Table 8.9 — Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Number of Returns and Percents Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect — Continued

[All figures are estimates based on samples]

Item with second largest tax effect	Item with the largest tax effect—Continued									
	Net casualty or theft loss deduction		Miscellaneous deductions		Foreign tax credit		Investment credit		Jobs credit	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Returns With Modified Total Income Tax										
Returns with adjusted gross income \$200,000 or more										
Total	465	.5	2,729	2.9	—	—	4,701	5.0	1,341	1.4
Interest paid deduction	108	23.2	577	21.1	—	—	905	19.2	274	20.4
Taxes paid deduction	205	44.0	1,366	50.0	—	—	1,839	39.1	470	35.0
Contributions deduction	81	17.4	535	19.6	—	—	739	15.7	148	11.0
Medical and dental expense deduction	†	†	75	2.7	—	—	*8	.1	†	†
Net casualty or theft loss deduction	—	—	3	.1	—	—	*10	.2	—	—
Miscellaneous deductions	*27	5.8	—	—	—	—	119	2.5	†	†
Foreign tax credit	—	—	—	—	—	—	—	—	334	24.9
Investment credit	*39	8.3	149	5.4	—	—	—	—	—	—
Jobs credit	—	—	*8	.2	—	—	445	9.4	—	—
No second largest item	†	†	*16	.5	—	—	636	13.5	97	.72
Returns with expanded income \$200,000 or more										
Total	869	.7	11,005	9.0	—	—	7,461	6.1	2,035	1.6
Interest paid deduction	223	25.6	2,528	22.9	—	—	*1,713	22.9	455	22.3
Taxes paid deduction	206	23.7	2,884	26.2	—	—	2,366	31.7	468	23.0
Contributions deduction	308	35.4	4,394	39.9	—	—	2,144	28.7	526	25.8
Medical and dental expense deduction	—	—	395	3.5	—	—	67	.9	—	—
Net casualty or theft loss deduction	—	—	58	.5	—	—	73	.9	1	—
Miscellaneous deductions	82	9.4	—	—	—	—	616	8.2	70	3.4
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	31	3.5	531	4.8	—	—	—	—	283	13.9
Jobs credit	*18	2.0	80	.7	—	—	327	4.3	—	—
No second largest item	1	.1	135	1.2	—	—	155	2.0	232	11.4
Returns with adjusted gross income plus excluded tax preferences \$200,000 or more										
Total	671	.5	3,761	2.9	—	—	7,683	5.9	1,724	1.3
Interest paid deduction	217	32.3	837	22.2	—	—	1,866	24.2	327	18.9
Taxes paid deduction	259	38.6	1,920	51.0	—	—	2,664	34.6	578	33.5
Contributions deduction	81	12.0	703	18.6	—	—	1,187	15.4	185	10.7
Medical and dental expense deduction	*4	.6	112	2.9	—	—	*28	.3	1	—
Net casualty or theft loss deduction	—	—	*13	.3	—	—	*10	.1	—	—
Miscellaneous deductions	*27	4.0	—	—	—	—	155	2.0	*17	.9
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	43	6.4	152	4.0	—	—	—	—	350	20.3
Jobs credit	*40	5.9	*8	.2	—	—	614	7.9	—	—
No second largest item	—	—	*16	.4	—	—	1,159	15.0	266	15.4
Returns with adjusted gross income less investment interest \$200,000 or more										
Total	1,306	1.4	17,717	20.2	—	—	8,546	9.7	2,383	2.7
Interest paid deduction	234	17.9	4,120	23.2	—	—	1,439	16.8	444	18.6
Taxes paid deduction	104	7.9	1,015	5.7	—	—	935	10.9	195	8.1
Contributions deduction	447	34.2	*4,899	27.6	—	—	2,453	28.7	498	20.9
Medical and dental expense deduction	*44	3.3	2,449	13.8	—	—	756	8.8	131	5.5
Net casualty or theft loss deduction	—	—	647	3.6	—	—	161	1.8	*31	1.3
Miscellaneous deductions	326	24.9	—	—	—	—	1,815	21.2	415	17.4
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	67	5.1	2,008	11.3	—	—	—	—	492	20.6
Jobs credit	78	5.9	*1,659	9.3	—	—	623	7.2	—	—
No second largest item	*6	.4	920	5.1	—	—	364	4.2	177	7.4
Returns With No Modified Total Income Tax										
Returns with adjusted gross income \$200,000 or more										
Total	8	28.5	3	10.7	—	—	—	—	5	17.8
Interest paid deduction	4	50.0	—	—	—	—	—	—	†	†
Taxes paid deduction	†	†	—	—	—	—	—	—	†	†
Contributions deduction	†	†	†	†	—	—	—	—	—	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	—	—	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	—	—	—	—	—	—	3	60.0
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	—	—	†	†	—	—	—	—	—	—
Returns with expanded income \$200,000 or more										
Total	—	—	1	1.5	—	—	4	6.2	—	—
Interest paid deduction	—	—	—	—	—	—	—	—	—	—
Taxes paid deduction	—	—	—	—	—	—	1	25.0	—	—
Contributions deduction	—	—	—	—	—	—	2	50.0	—	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	—	—	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	—	—	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	—	—	—	—	—	—	1	25.0	—	—
Returns with adjusted gross income plus excluded tax preferences \$200,000 or more										
Total	8	10.8	3	4.0	—	—	*12	16.2	5	6.7
Interest paid deduction	4	50.0	—	—	—	—	—	—	1	20.0
Taxes paid deduction	2	25.0	—	—	—	—	*12	100.0	1	20.0
Contributions deduction	2	25.0	1	33.3	—	—	—	—	—	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	—	—	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	—	—	—	—	—	—	3	60.0
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	—	—	2	66.6	—	—	—	—	—	—
Returns with adjusted gross income less investment interest \$200,000 or more										
Total	—	—	3	16.6	—	—	1	5.5	—	—
Interest paid deduction	—	—	1	33.3	—	—	1	100.0	—	—
Taxes paid deduction	—	—	1	33.3	—	—	—	—	—	—
Contributions deduction	—	—	1	33.3	—	—	—	—	—	—
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—
Miscellaneous deductions	—	—	—	—	—	—	—	—	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—
Investment credit	—	—	—	—	—	—	—	—	—	—
Jobs credit	—	—	—	—	—	—	—	—	—	—
No second largest item	—	—	—	—	—	—	—	—	—	—

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
 * Estimate should be used with caution because of the small number of sample returns on which it is based.
 — Less than 0.05 percent when accompanied by a frequency (number of returns). All other dashes represent zero.
 NOTE: Detail may not add to total because of rounding.

Table 8.10 — Returns With No Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Itemized Deductions as a Percent of Income

[All figures are estimates based on samples]

Type of deduction or credit	Returns with adjusted gross income \$200,000 or more										
	All returns	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total itemized deductions	28	†	3	—	†	—	—	—	—	—	23
Interest paid deduction:											
Total	28	6	7	3	†	—	—	—	†	†	8
Investment interest per income concept	28	7	9	†	†	†	—	†	†	†	4
Investment interest exceeding investment income per concept	28	17	4	†	†	†	—	—	†	—	†
Taxes paid deduction	28	3	19	3	†	—	—	—	—	—	†
Contributions deduction	28	4	20	†	—	†	—	†	—	—	—
Medical and dental expense deduction	28	16	10	—	—	—	—	—	†	†	—
Net casualty or theft loss deduction	28	19	†	—	—	—	—	—	—	—	†
Miscellaneous deductions	28	9	15	†	—	—	—	—	—	—	†
Deduction equivalent of:											
Total credits	28	21	†	—	—	—	—	—	†	3	†
Foreign tax credit	28	28	—	—	—	—	—	—	—	—	—
Investment credit	28	21	†	—	—	†	—	—	—	—	—
Jobs credit	28	24	—	—	—	—	—	†	†	†	—
Tax preferences excluded from adjusted gross income	28	5	19	†	†	†	—	—	—	—	—

Type of deduction or credit	Returns with expanded income \$200,000 or more										
	All returns	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total itemized deductions	64	31	*18	—	1	—	1	—	—	—	13
Interest paid deduction:											
Total	64	38	23	1	—	—	—	—	—	—	2
Investment interest per income concept	64	37	23	1	—	—	1	—	—	—	1
Investment interest exceeding investment income per concept	64	60	2	—	—	—	—	—	—	—	2
Taxes paid deduction	64	33	28	2	—	—	—	—	—	—	1
Contributions deduction	64	34	27	2	—	—	1	—	—	—	—
Medical and dental expense deduction	64	41	22	—	—	—	—	—	—	—	1
Net casualty or theft loss deduction	64	57	1	—	—	—	—	—	—	—	6
Miscellaneous deductions	64	40	*20	—	1	—	—	—	—	1	2
Deduction equivalent of:											
Total credits	64	44	*15	—	—	—	—	—	1	3	1
Foreign tax credit	64	64	—	—	—	—	—	—	—	—	—
Investment credit	64	44	*19	—	—	1	—	—	—	—	—
Jobs credit	64	60	—	—	—	—	—	1	1	2	—
Tax preferences excluded from adjusted gross income	64	5	12	—	1	—	—	—	—	—	46

Type of deduction or credit	Returns with adjusted gross income plus excluded tax preferences \$200,000 or more										
	All returns	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
Total itemized deductions	74	31	*16	2	1	—	—	—	—	—	23
Interest paid deduction:											
Total	74	36	*20	*5	2	—	1	—	1	—	8
Investment interest per income concept	74	37	23	2	1	2	—	2	1	2	3
Investment interest exceeding investment income per concept	74	65	2	2	1	1	—	—	2	—	1
Taxes paid deduction	74	33	36	2	1	—	—	—	—	—	2
Contributions deduction	74	34	36	2	—	2	—	—	—	—	—
Medical and dental expense deduction	74	46	26	—	—	—	—	—	1	1	—
Net casualty or theft loss deduction	74	65	1	—	—	—	—	—	—	1	7
Miscellaneous deductions	74	41	28	2	—	—	—	—	—	1	2
Deduction equivalent of:											
Total credits	74	54	*15	—	—	—	—	—	1	3	1
Foreign tax credit	74	74	—	—	—	—	—	—	—	—	—
Investment credit	74	54	*19	—	—	1	—	—	—	—	—
Jobs credit	74	70	—	—	—	—	—	1	1	2	—
Tax preferences excluded from adjusted gross income	74	5	20	1	2	—	—	—	—	—	46

Type of deduction or credit	Returns with adjusted gross income less investment interest \$200,000 or more										
	All returns	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)
Total itemized deductions	18	1	3	—	1	—	—	—	—	—	13
Interest paid deduction:											
Total	18	7	8	1	—	—	—	—	—	—	2
Investment interest per income concept	18	7	8	1	—	—	1	—	—	—	—
Investment interest exceeding investment income per concept	18	14	2	—	—	—	—	—	—	—	2
Taxes paid deduction	18	3	12	2	—	—	—	—	—	—	1
Contributions deduction	18	4	12	1	—	—	1	—	—	—	—
Medical and dental expense deduction	18	11	6	—	—	—	—	—	—	—	1
Net casualty or theft loss deduction	18	11	1	—	—	—	—	—	—	—	6
Miscellaneous deductions	18	8	7	—	—	—	—	—	—	—	3
Deduction equivalent of:											
Total credits	18	11	2	—	—	—	—	—	—	—	—
Foreign tax credit	18	18	—	—	—	—	—	—	1	3	1
Investment credit	18	11	6	—	—	—	—	—	—	—	—
Jobs credit	18	14	—	—	—	—	—	—	—	—	—
Tax preferences excluded from adjusted gross income	18	5	11	1	—	1	—	—	—	—	—

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.
 * Estimate should be used with caution because of the small number of sample returns on which it is based.

Table 8.11 — Returns With and Without Modified Total Income Tax: Number of Returns and Percents Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts

[All figures are estimates based on samples]

Effective tax rate	Size of adjusted gross income					Size of expanded income				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns	92,694,302	90,352,821	1,889,878	357,872	93,731	92,094,302	90,159,807	2,008,182	405,082	122,231
Returns with no modified total income tax:										
Number of returns.....	19,256,290	19,250,217	5,809	236	28	19,256,290	19,249,161	6,827	238	64
Percent of total.....	20.8	21.3	.3	.1	—	20.8	21.4	.3	.1	.1
Returns with modified total income tax:										
Number of returns.....	73,438,012	71,102,604	1,884,069	357,636	93,703	73,438,012	70,909,646	2,001,355	404,844	122,167
Percent of total.....	79.2	78.7	99.7	99.9	100.0	79.2	78.6	99.7	99.9	99.9
Effective tax rate:										
Under 5 percent:										
Number of returns.....	12,195,114	12,173,483	18,526	2,739	366	12,353,363	12,313,772	36,212	2,964	415
Percent of total.....	13.2	13.5	1.0	.8	.4	13.3	13.7	1.8	.7	.3
5 under 10 percent:										
Number of returns.....	20,481,806	20,439,544	36,491	4,830	941	20,639,109	20,526,615	100,255	10,435	1,804
Percent of total.....	22.1	22.6	1.9	1.3	1.0	22.3	22.8	5.0	2.6	1.5
10 under 15 percent:										
Number of returns.....	25,027,608	24,929,032	90,049	7,361	1,166	24,953,662	24,752,272	164,064	32,811	4,515
Percent of total.....	27.0	27.6	4.8	2.1	1.2	26.9	27.5	8.2	8.1	3.7
15 under 20 percent:										
Number of returns.....	11,338,227	11,023,187	301,862	10,903	2,275	11,291,087	10,897,700	348,150	30,500	14,737
Percent of total.....	12.2	12.2	16.0	3.0	2.4	12.2	12.1	17.3	7.5	12.1
20 under 25 percent:										
Number of returns.....	2,891,719	2,256,875	611,359	20,855	2,630	2,821,802	2,168,248	601,542	36,510	15,502
Percent of total.....	3.1	2.5	32.3	5.8	2.8	3.0	2.4	30.0	9.0	12.7
25 under 30 percent:										
Number of returns.....	815,547	237,829	524,124	49,480	4,114	789,082	218,931	496,576	61,590	11,985
Percent of total.....	.9	.3	27.7	13.8	4.4	.9	.2	24.7	15.2	9.8
30 under 35 percent:										
Number of returns.....	366,249	32,446	228,868	96,818	8,117	337,634	26,318	199,486	97,752	14,078
Percent of total.....	.4	—	12.1	27.1	8.7	.4	—	9.9	24.1	11.5
35 under 40 percent:										
Number of returns.....	178,397	2,126	58,290	101,479	16,502	156,871	1,640	46,781	89,285	19,165
Percent of total.....	.2	—	3.1	28.4	17.6	.2	—	2.3	22.0	15.7
40 under 45 percent:										
Number of returns.....	80,550	328	10,190	46,672	23,360	61,394	*166	5,946	33,816	21,466
Percent of total.....	.1	—	.5	13.0	24.9	.1	—	.3	8.3	17.6
45 under 50 percent:										
Number of returns.....	31,924	799	1,760	12,157	17,208	20,442	*716	1,201	7,085	11,440
Percent of total.....	—	—	.1	3.4	18.4	—	—	.1	1.7	9.4
50 under 60 percent:										
Number of returns.....	21,667	1,913	1,687	3,896	14,171	10,973	*1,463	993	2,079	6,438
Percent of total.....	—	—	.1	1.1	15.1	—	—	—	.5	5.3
60 under 70 percent:										
Number of returns.....	3,690	532	276	251	2,631	727	*29	*75	*14	609
Percent of total.....	—	—	—	.1	2.8	—	—	—	—	.5
70 under 80 percent:										
Number of returns.....	686	358	*134	64	130	*84	1	*68	3	*12
Percent of total.....	—	—	—	—	.1	—	—	—	—	—
80 percent or more:										
Number of returns.....	4,828	4,152	453	131	92	1,782	1,775	6	—	1
Percent of total.....	—	—	—	—	.1	—	—	—	—	—

Footnote(s) at end of table.

Table 8.11 — Returns With and Without Modified Total Income Tax: Number of Returns and Percents Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts — Continued

[All figures are estimates based on samples]

Effective tax rate	Size of adjusted gross income plus excluded tax preferences					Size of adjusted gross income less investment interest				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns	92,694,302	90,079,611	2,065,654	419,600	129,437	92,694,302	90,426,154	1,838,695	341,841	87,612
Returns with no modified total income tax:										
Number of returns	19,256,290	19,247,210	8,720	286	74	19,256,290	19,251,412	4,644	216	18
Percent of total	20.8	21.4	.4	.1	.1	20.8	21.3	.3	.1	—
Returns with modified total income tax:										
Number of returns	73,438,012	70,832,401	2,056,934	419,314	129,363	73,438,012	71,174,742	1,834,051	341,625	87,594
Percent of total	79.2	78.6	99.6	99.9	99.9	79.2	78.7	99.7	99.9	100.0
Effective tax rate:										
Under 5 percent:										
Number of returns	12,393,064	12,339,564	47,428	5,239	833	12,160,036	12,145,236	13,205	1,460	135
Percent of total	13.4	13.7	2.3	1.2	.6	13.1	13.4	.7	.4	.2
5 under 10 percent:										
Number of returns	20,739,864	20,610,614	110,786	15,009	3,455	20,382,676	20,348,336	30,926	3,044	370
Percent of total	22.4	22.9	5.4	3.6	2.7	22.0	22.5	1.7	.9	.4
10 under 15 percent:										
Number of returns	25,006,143	24,785,541	178,921	34,798	6,883	24,962,606	24,883,784	73,163	5,113	546
Percent of total	27.0	27.5	8.7	8.3	5.3	26.9	27.5	4.0	1.5	.6
15 under 20 percent:										
Number of returns	11,203,390	10,771,084	383,848	32,281	16,177	11,422,417	11,148,772	264,015	8,173	1,457
Percent of total	12.1	12.0	18.6	7.7	12.5	12.3	12.3	14.4	2.4	1.7
20 under 25 percent:										
Number of returns	2,772,108	2,090,706	623,383	42,275	15,744	2,945,107	2,348,728	578,938	15,689	1,752
Percent of total	3.0	2.3	30.2	10.1	12.2	3.2	2.6	31.5	4.6	2.0
25 under 30 percent:										
Number of returns	762,871	204,294	477,913	67,332	13,332	837,253	253,622	540,434	40,269	2,928
Percent of total	.8	.2	23.1	16.0	10.3	.9	.3	29.4	11.8	3.3
30 under 35 percent:										
Number of returns	324,056	25,611	184,404	98,766	15,275	379,709	34,234	249,831	89,432	6,212
Percent of total	.3	—	8.9	23.5	11.8	.4	—	13.6	26.2	7.1
35 under 40 percent:										
Number of returns	148,564	923	42,521	84,923	20,197	190,602	1,985	67,813	106,778	14,026
Percent of total	.2	—	2.1	20.2	15.6	.2	—	3.7	31.2	16.0
40 under 45 percent:										
Number of returns	56,376	*165	5,395	30,289	20,527	87,786	1,805	10,884	52,531	22,566
Percent of total	.1	—	.3	7.2	15.9	.1	—	.6	15.4	25.8
45 under 50 percent:										
Number of returns	18,869	*708	1,200	6,481	10,480	34,877	907	1,816	13,956	18,198
Percent of total	—	—	.1	1.5	8.1	—	—	.1	4.1	20.8
50 under 60 percent:										
Number of returns	10,263	*1,463	*992	1,920	5,888	24,733	2,004	2,064	4,561	16,104
Percent of total	—	—	—	.5	4.5	—	—	.1	1.3	18.4
60 under 70 percent:										
Number of returns	640	1	*74	—	565	4,056	420	260	357	3,019
Percent of total	—	—	—	—	.4	—	—	—	.1	3.4
70 under 80 percent:										
Number of returns	*75	1	*67	1	*6	677	228	234	67	148
Percent of total	—	—	—	—	—	—	—	—	—	.2
80 percent or more:										
Number of returns	1,729	1,726	2	—	1	5,477	4,681	468	195	133
Percent of total	—	—	—	—	—	—	—	—	.1	.2

* Estimate should be used with caution because of the small number of sample returns on which it is based.
 — Less than 0.05 percent when accompanied by a frequency (number of returns). All other dashes represent zero.
 NOTE: Detail may not add to total because of rounding.

Table 8.12 — Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Taxable Income to Specified Alternative Income

[All figures are estimates based on samples]

Specified item	Adjusted gross income			Expanded income			Adjusted gross income plus excluded tax preferences			Adjusted gross income less investment interest		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
All returns	93,731	100.0	—	122,231	100.0	—	129,437	100.0	—	87,612	100.0	—
Returns with no modified total income tax.....	28	—	—	64	.1	—	74	.1	—	18	—	—
Returns with modified total income tax.....	93,703	100.0	100.0	122,167	99.9	100.0	129,363	99.9	100.0	87,594	100.0	100.0
Ratio of taxable income to alternative income:												
Under 5 percent.....	*16	—	—	45	—	—	58	—	—	*15	—	—
5 under 10 percent.....	56	.1	.1	102	.1	.1	138	.1	.2	31	—	.1
10 under 15 percent.....	241	.3	.3	189	.2	.3	570	.4	.6	55	.1	.1
15 under 20 percent.....	530	.6	.9	638	.5	.8	1,361	1.1	1.6	196	.2	.3
20 under 25 percent.....	531	.6	1.5	1,495	1.2	2.0	2,754	2.1	3.8	211	.2	.6
25 under 30 percent.....	558	.6	2.1	2,760	2.3	4.3	4,238	3.3	7.0	295	.3	.9
30 under 35 percent.....	995	1.1	3.1	6,084	5.0	9.3	7,798	6.0	13.1	522	.6	1.5
35 under 40 percent.....	1,408	1.5	4.6	12,218	10.0	19.3	12,185	9.4	22.5	921	1.1	2.6
40 under 45 percent.....	1,688	1.8	6.4	10,641	8.7	28.0	10,549	8.2	30.7	1,079	1.2	3.8
45 under 50 percent.....	1,960	2.1	8.5	6,341	5.2	33.2	7,119	5.5	36.2	1,377	1.6	5.4
50 under 60 percent.....	6,467	6.9	15.4	14,902	12.2	45.4	16,254	12.6	48.7	4,917	5.6	11.0
60 under 70 percent.....	15,642	16.7	32.1	20,853	17.1	62.4	22,632	17.5	66.2	12,291	14.0	25.0
70 under 80 percent.....	31,671	33.8	65.9	28,626	23.4	85.9	28,131	21.7	88.0	29,870	34.1	59.1
80 percent or more.....	31,940	34.1	100.0	17,273	14.1	100.0	15,576	12.0	100.0	35,814	40.9	100.0

* Estimate should be used with caution because of the small number of sample returns on which it is based.
 — Less than 0.05 percent when accompanied by a frequency (number of returns). All other dashes represent zero.
 NOTE: Detail may not add to total because of rounding.

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Form **1040** Department of the Treasury—Internal Revenue Service
U.S. Individual Income Tax Return 1979

For Privacy Act Notice, see page 3 of Instructions For the year January 1–December 31, 1979, or other tax year beginning 1979, ending 19

Use IRS label. Otherwise, please print or type.	Your first name and initial (if joint return, also give spouse's name and initial)	Last name	Your social security number
	Present home address (Number and street, including apartment number, or rural route)		Spouse's social security no.
	City, town or post office, State and ZIP code		Your occupation Spouse's occupation

Presidential Election Campaign Fund

Do you want \$1 to go to this fund? Yes No

If joint return, does your spouse want \$1 to go to this fund? Yes No

Note: Checking "Yes" will not increase your tax or reduce your refund.

Filing Status

1 Single

2 Married filing joint return (even if only one had income)

3 Married filing separate return: Enter spouse's social security number above and full name here

4 Head of household. (See page 7 of Instructions.) If qualifying person is your unmarried child, enter child's name

5 Qualifying widow(er) with dependent child (Year spouse died 19). (See page 7 of Instructions.)

Exemptions

6a Yourself 65 or over Blind

b Spouse 65 or over Blind

c First names of your dependent children who lived with you

d Other dependents:

(1) Name	(2) Relationship	(3) Number of months lived in your home	(4) Did dependent have income of \$1,000 or more?	(5) Did you provide more than one-half of dependent's support?	Enter number of other dependents

Add numbers entered in boxes above

Income

8 Wages, salaries, tips, etc. 8

9 Interest income (attach Schedule B if over \$400) 9

10a Dividends (attach Schedule B if over \$400) 10a

10b Exclusion 10b

c Subtract line 10b from line 10a 10c

11 State and local income tax refunds (does not apply unless refund is for year you itemized deductions—see page 10 of Instructions) 11

12 Alimony received 12

13 Business income or (loss) (attach Schedule C) 13

14 Capital gain or (loss) (attach Schedule D) 14

15 Taxable part of capital gain distributions not reported on Schedule D (see page 10 of Instructions) 15

16 Supplemental gains or (losses) (attach Form 4797) 16

17 Fully taxable pensions and annuities not reported on Schedule E 17

18 Pensions, annuities, rents, royalties, partnerships, estates or trusts, etc. (attach Schedule E) 18

19 Farm income or (loss) (attach Schedule F) 19

20a Unemployment compensation. Total amount received 20a

b Taxable part, if any, from worksheet on page 10 of Instructions 20b

21 Other income (state nature and source—see page 10 of Instructions) 21

22 Total income. Add amounts in column for lines 8 through 21 22

Adjustments to Income

23 Moving expense (attach Form 3903 or 3903F) 23

24 Employee business expenses (attach Form 2106) 24

25 Payments to an IRA (see page 11 of Instructions) 25

26 Payments to a Keogh (H.R. 10) retirement plan 26

27 Interest penalty on early withdrawal of savings 27

28 Alimony paid (see page 11 of Instructions) 28

29 Disability income exclusion (attach Form 2440) 29

30 Total adjustments. Add lines 23 through 29 30

Adjusted Gross Income

31 Adjusted gross income. Subtract line 30 from line 22. If this line is less than \$10,000, see page 2 of Instructions. If you want IRS to figure your tax, see page 4 of Instructions 31

Tax Computation (See Instructions on page 12)

32 Amount from line 31 (adjusted gross income) 32

33 If you do not itemize deductions, enter zero 33

If you itemize, complete Schedule A (Form 1040) and enter the amount from Schedule A, line 41 33

Caution: If you have unearned income and can be claimed as a dependent on your parent's return, check here and see page 12 of the Instructions. Also see page 12 of the Instructions if:

- You are married filing a separate return and your spouse itemizes deductions, OR
- You file Form 4563, OR
- You are a dual-status alien.

34 Subtract line 33 from line 32. Use the amount on line 34 to find your tax from the Tax Tables, or to figure your tax on Schedule TC, Part I 34

Use Schedule TC, Part I, and the Tax Rate Schedules ONLY if:

- Line 34 is more than \$20,000 (\$40,000 if you checked Filing Status Box 2 or 5), OR
- You have more exemptions than are shown in the Tax Table for your filing status, OR
- You use Schedule G or Form 4726 to figure your tax.

Otherwise, you MUST use the Tax Tables to find your tax.

35 Tax. Enter tax here and check if from Tax Tables or Schedule TC 35

36 Additional taxes. (See page 12 of Instructions.) Enter here and check if from Form 4970, Form 4972, Form 5544, Form 5405, or Section 72(m)(5) penalty tax 36

37 Total. Add lines 35 and 36 37

Credits

38 Credit for contributions to candidates for public office 38

39 Credit for the elderly (attach Schedules R&RP) 39

40 Credit for child and dependent care expenses (attach Form 2441) 40

41 Investment credit (attach Form 3468) 41

42 Foreign tax credit (attach Form 1116) 42

43 Work incentive (WIN) credit (attach Form 4874) 43

44 Jobs credit (attach Form 5884) 44

45 Residential energy credits (attach Form 5695) 45

46 Total credits. Add lines 38 through 45 46

47 Balance. Subtract line 46 from line 37 and enter difference (but not less than zero) 47

Other Taxes (Including Advance EIC Payments)

48 Self-employment tax (attach Schedule SE) 48

49a Minimum tax. Attach Form 4625 and check here 49a

49b Alternative minimum tax. Attach Form 6251 and check here 49b

50 Tax from recomputing prior-year investment credit (attach Form 4255) 50

51a Social security (FICA) tax on tip income not reported to employer (attach Form 4137) 51a

51b Uncollected employee FICA and RRRA tax on tips (from Form W-2) 51b

52 Tax on an IRA (attach Form 5329) 52

53 Advance earned income credit payments received (from Form W-2) 53

54 Total. Add lines 47 through 53 54

Payments

55 Total Federal income tax withheld 55

56 1979 estimated tax payments and credit from 1978 return 56

57 Earned income credit. If line 32 is under \$10,000, see page 2 of Instructions 57

58 Amount paid with Form 4868 58

59 Excess FICA and RRRA tax withheld (two or more employers) 59

60 Credit for Federal tax on special fuels and oils (attach Form 4136 or 4136-T) 60

61 Regulated Investment Company credit (attach Form 2439) 61

62 Total. Add lines 55 through 61 62

Refund or Balance Due

63 If line 62 is larger than line 54, enter amount OVERPAID 63

64 Amount of line 63 to be REFUNDED TO YOU 64

65 Amount of line 63 to be credited on 1980 estimated tax 65

66 If line 54 is larger than line 62, enter BALANCE DUE. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number on check or money order. (Check if Form 2210 (2210F) is attached. See page 15 of Instructions.) \$ 66

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please Sign Here

Your signature _____ Date _____

Spouse's signature (if filing jointly, BOTH must sign even if only one had income) _____

Preparer's information

Preparer's signature and date _____

Firm's name (or yours, if self-employed) and address _____

Check if self-employed Preparer's social security no. _____

E.I. No. _____

ZIP code _____

1979

Instructions for preparing Form 1040

Department of the Treasury / Internal Revenue Service

and instructions for Schedules

A, B, C, D, E, F, R, RP, and SE

(Tax Tables — pages 32 — 43)

From the Commissioner

These instructions contain information needed to complete Form 1040 and related schedules. Before starting Form 1040, please check to see if you can file Form 1040A instead. See page 4 of the instructions—"Which Form to File".

Most of the lines on the form are the same as last year. But changes in the law caused us to add some lines and change others. So please be careful if you use last year's return as a guide.

Recent changes in the tax law, such as a decrease in the tax rates and an increase in the personal exemption from \$750 to \$1,000, have already been figured into the Tax Tables. See **Highlights for 1979** on page 3 for a brief summary of this year's changes.

Some taxpayers receiving unemployment compensation may find that part or all of it is taxable. See page 10 of the instructions for further information.

If your income is less than \$10,000, you may be able to take the Earned Income Credit. This credit may entitle you to a payment from the government even if you paid no tax. Please read page 2 of the Instructions carefully.

If you are eligible for the Earned Income Credit, you may find that you can receive advance payments from your employer throughout the year. If you received advance payments in 1979, report them on line 53 of Form 1040. If you expect to qualify for the Earned Income Credit in 1980 and want to receive advance payments, file Form W-5 with your employer.

If you need help, please call us at the number listed for your area on page 48 or 49, or visit an IRS office. If you have any suggestions for improvement of our forms or instructions, please write to us at:

Internal Revenue Service, Room 5577
1111 Constitution Avenue, NW.
Washington, DC 20224

After you complete your return, please check to make sure it is correct, sign it and then file it early. Thank you for your cooperation.



Jerome Kurtz
Commissioner of Internal Revenue

Earned Income Credit (If your income is less than \$10,000, and you have a child, read this page carefully.)

What Does the Earned Income Credit Do?

The earned income credit helps many taxpayers who have small incomes. If you can take the earned income credit, you can subtract it from tax you owe or get a refund even if you had no tax withheld from your pay. The credit can go as high as \$500.

What Is Earned Income?

In most cases, you had earned income if you worked last year.

Earned income includes:

- wages, salaries, and tips.
- anything else of value (money, goods, or services) you get from your employer for services you performed.
- earnings from self-employment—this is usually the amount shown on Schedule SE (Form 1040), line 13. If you had a net loss from self-employment, see the note on page 27.

Note: Members of the clergy who receive a housing allowance (or rental value of a parsonage) as part of their compensation for services as an employee should include that amount in line 1 of the worksheet.

Earned income does not include items such as interest, dividends, social security payments, welfare benefits, or veterans' benefits.

Who Can't Take the Earned Income Credit?

You can't take the credit if:

- you are single (Filing Status Box 1); or
- you are married filing a separate return (Filing Status Box 3); or
- you file Form 2555 to exclude income earned overseas; or
- you file Form 4563 to exclude income earned from sources in U.S. possessions; or
- your income is \$10,000 or more.

To see if you can take the Earned Income Credit, complete Form 1040 through line 31, and answer the questions below.

- | | Yes | No |
|---|--------------------------|--------------------------|
| 1. Is the amount you listed on Form 1040, line 31, less than \$10,000? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Does the amount on line 31 include any wages, salaries, or other earned income? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Did you have a child who lived with you in the same principal residence in the U.S. during 1979? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. If you checked Filing Status box 2 or box 5 on Form 1040, did you claim your child as a dependent on Form 1040, line 6c? OR
If you checked Filing Status box 4 on Form 1040 and your child was married for 1979, did you claim that child as a dependent on Form 1040, line 6c? OR
If you checked Filing Status box 4 on Form 1040 and your child was unmarried for 1979, did you enter that child's name on Form 1040, line 4 (or 6c if you claimed that child as a dependent)? | <input type="checkbox"/> | <input type="checkbox"/> |

Note—The term child includes:

- Your son or daughter.
- Your stepchild, adopted child, or a child placed with you by an authorized placement agency for legal adoption (even if the child became your stepchild or adopted child, or was placed with you, during the year).
- Any other child whom you cared for as your own child for the whole year, unless the child's natural or adoptive parents provided more than half of the support for that year.

If you answered NO to any question, you can't take the earned income credit. Do not fill in the worksheet.

If you answered YES to all the questions, you may be able to take the credit. Use the Earned Income Credit Worksheet to figure the amount of any credit.

Note: If you expect to answer YES to all of the above questions for 1980 and want to receive advance payments of the credit, file Form W-5 with your employer.

Earned Income Credit Worksheet

To figure your credit, follow the instructions below.

1. Enter the amount from Form 1040, line 8. Caution: Include only amounts which were compensation for services. Do not include pensions or annuities.	\$
2. If you were self-employed, enter the amount, even if a loss, from Schedule SE, line 13. (If you have self-employment income that you reported on line 1 above, do not include it here.)	
3. Earned income. Add lines 1 and 2. However, if line 2 is a loss, subtract line 2 from line 1. If the amount on line 3 is \$0 or less, do not complete the rest of this worksheet; you cannot take the credit. If it is more than zero, complete 4 and either 5 or 6 below.	
4. Adjusted gross income. Enter the amount from Form 1040, line 31.	
5. If line 4 above is \$5,000 or less, use the amount from line 3 above to find your credit in the table on page 45. Enter the credit here and on Form 1040, line 57.	
6. If line 4 above is over \$5,000:	
a. First find the amount from line 3 above, in the table on page 45, and enter the credit for that amount here \$	
b. Then find the amount from line 4 in the table and enter the credit for that amount here. \$	
c. Enter the amount from line 6a or 6b, whichever is smaller, here and on Form 1040, line 57.	\$

Do NOT file this worksheet with your return—Keep it for your tax records

Highlights for 1979

Please note these important reminders for this year.

Tax Rates Have Been Decreased and Personal Exemptions Have Been Increased

For most taxpayers, the tax rates have been decreased. The deduction for personal exemptions has been increased from \$750 to \$1,000. This increase also applies to the extra exemptions for age and blindness. These changes have already been figured into the Tax Tables.

Zero Bracket Amounts and Income Levels for Filing Have Been Increased

The Zero Bracket Amounts have been increased for all taxpayers. For those who file as Single or Head of household, the amount has been increased from \$2,200 to \$2,300. For Married taxpayers filing jointly and Qualifying widow(er)s with a dependent child, it has been increased from \$3,200 to \$3,400. For Married taxpayers who file separately, it has been increased from \$1,600 to \$1,700. The levels of income for which you must file a return are also higher. See "Who Must File" on page 4 for the new income levels.

General Tax Credit Has Expired

The general tax credit expired on December 31, 1978. You cannot claim it this year.

Privacy Act Notice

The Privacy Act of 1974 says that each Federal agency that asks you for information must tell you:

- its legal right to ask for the information and whether the law says you must give it.
- What major purposes the agency has in asking for it, and how it will be used.
- What could happen if the agency does not receive it.

For the Internal Revenue Service, the law covers:

- Tax returns and any papers filed with them.
- Any questions we need to ask you so we can:

Complete, correct, or process your return.
Figure your tax.
Collect tax, interest, or penalties.

Earned Income Credit Has Been Increased

Both the maximum amount you can earn and the maximum credit you can get have been increased. The income ceiling for eligibility has been increased from \$8,000 to \$10,000. The credit can now go as high as \$500. For more details, see page 2.

New Advance Earned Income Credit Payments

If you received advance payments of the earned income credit from your employer, you must file a tax return even if your income was below the minimum level for your filing status. If your allowable credit is different from the advance payments you received, your tax liability will increase or decrease accordingly.

Unemployment Compensation May Be Taxable

If you received unemployment compensation payments after December 31, 1978, they may be taxable. See the instructions and worksheet on page 10 for more information.

Political Contributions

The limit for the credit allowed for political contributions has been doubled. For 1979, you can claim one-half of what you gave, but not more than \$50 (\$100 if you are married filing a joint return). However, you may no longer claim an itemized deduction for these contributions. See the instructions for line 38 on page 13.

No Deductions for State and Local Gasoline Taxes

You may no longer claim State or local gasoline taxes as an itemized deduction.

No Alternative Tax Computation

The alternative tax computation for capital gains expired on December 31, 1978. You can no longer use this method to figure your tax.

Minimum Tax Has Been Revised

The minimum tax was revised by the Revenue Act of 1978. There is also a new alternative minimum tax for which you may be liable. See the instructions for lines 49a and 49b on page 13 for more details.

Standard Mileage Rates Increased

The standard mileage rate for business use of a car or truck has been increased to 18½ cents per mile for the first 15,000 miles. For each mile over 15,000, the rate will continue to be 10 cents. The standard mileage rate for charitable, medical, or moving purposes has been increased to 8 cents per mile.

IRS Will Figure Credit for the Elderly

If you want us to figure your credit for the elderly, see IRS Will Figure Your Tax and Some of Your Credits, on pages 4 and 5 of the instructions.

Our legal right to ask for information is Internal Revenue Code sections 6001 and 6011 and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Code section 6109 and its regulations say that you must show your social security number on what you file. This is so we know who you are, and can process your return and papers.

You must fill in all parts of the tax form that apply to you. But you do not have to check the boxes for the Presidential Election Campaign Fund.

We ask for tax return information to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax.

We may give the information to the Department of Justice and to other Federal agencies, as provided by law. We may also give it to States, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. And we may give it to foreign

governments because of tax treaties they have with the United States.

If a return is not filed, or if we don't receive the information we ask for, the law provides that a penalty may be charged. And we may have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Please keep this notice with your records. It may help you if we ask you for other information.

If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

This is the only notice we must give you to explain the Privacy Act. However, we may give you other notices if we have to examine your return or collect any tax, interest, or penalties.

Form 1040 General Instructions

Who Must File

Your income and your filing status generally determine whether or not you must file a tax return.

You must file a return for 1979, even if you owe no tax:

If you were single (this also means legally separated, divorced, or married with a dependent child and living apart from your spouse for all of 1979) and:	And your income was at least:
Under 65.....	\$3,300
65 or over.....	4,300

If you were married filing a joint return and living with your spouse at the end of 1979 (or on the date your spouse died), and:

Both were under 65.....	5,400
One was 65 or over.....	6,400
Both were 65 or over.....	7,400

If you were married filing a separate return or married but not living with your spouse at the end of 1979..... 1,000

If you could be claimed as a dependent on your parents' return, and had taxable dividends, interest, or other unearned income of \$1,000 or more..... 1,000

If you were a qualifying widow(er) with a dependent child and:

Under 65.....	4,400
65 or over.....	5,400

If you could exclude income from sources within U.S. possessions..... 1,000

If you were self-employed and your net earnings from this work were at least \$400

If you received any advance earned income credit payments from your employer(s) during 1979

Even if your income was less than the amounts shown above, you must file a return if you owe any taxes, such as:

- FICA (Social Security) on tips you did not report to your employer.
- Minimum Tax.
- Tax on an IRA (Individual Retirement Arrangement).
- Tax from recomputing a prior year investment credit.

These rules apply to all U.S. citizens and resident aliens, including those

Page 4

under 21 years of age. They also apply to those nonresident aliens and resident aliens who are married to citizens or residents of the United States at the end of 1979 and who file a joint return as discussed on page 6, under Filing Status.

Note: Different rules apply if you were a nonresident alien at any time during 1979 (unless you file a joint return as mentioned above). You may have to file Form 1040NR, U.S. Nonresident Alien Income Tax Return. Also get Publication 519, U.S. Tax Guide for Aliens.

Who Should File

Even if you do not have to file, you should file to get a refund if income tax was withheld from your pay. Also file if you can take the earned income credit. If you file for either of these reasons only, you may be able to use Form 1040A.

Which Form to File

You MAY Be Able to Use Form 1040A if:

- You had only wages, salaries, tips, unemployment compensation, and not more than \$400 in interest or \$400 in dividends. (You may file Form 1040A even if your interest or dividend income was more than \$400 if you are filing only to get a refund of the earned income credit), AND
- Your total income is \$20,000 or less (\$40,000 or less if you are married and filing a joint return).

Since Form 1040A is easier to complete than Form 1040, you should use it if you can unless Form 1040 lets you pay less tax. However, even if you meet the above tests, you may still have to file Form 1040.

You MUST Use Form 1040 if:

- You itemize deductions.
- You claim more exemptions than are shown in the tax table for your filing status.
- Your spouse files a separate return and itemizes deductions. Exception: You can still use Form 1040A if you have a dependent child and can meet the tests on page 6 under Married Persons Who Live Apart (and Abandoned Spouses).
- You can be claimed as a dependent on your parents' return AND had interest, dividends, or other unearned income of \$1,000 or more, AND had earned income of less than \$2,300 if single (less than \$1,700 if married filing a separate return).
- You are a qualifying widow(er) with a dependent child.
- You were a nonresident alien during any part of 1979 and do not file a joint return (or Form 1040NR).
- You were married to a nonresident alien at the end of 1979 who had U.S. source income and you do not file a joint return. Exception: You can still use Form 1040A if you meet the tests on page 6 under Married Persons Who Live Apart (and Abandoned Spouses).

• You take any of the Adjustments to Income shown on Form 1040, lines 23 through 29.

• You file any of these forms: Form 1040-ES, Declaration of Estimated Tax for Individuals, for 1979 (or if you want to apply any part of your 1979 overpayment to estimated tax for 1980). Schedule G, Income Averaging. Form 2210, Underpayment of Estimated Tax by Individuals.

Form 2555, Deduction from, or Exclusion of, Income Earned Abroad.

Form 4563, Exclusion of Income from Sources in United States Possessions.

• You owe any of the taxes on Form 1040, line 36 or lines 48 through 52.

• You claim any of the credits on Form 1040, lines 39 through 45.

• You claim any of the payments on Form 1040, lines 58, 60, or 61.

• You are required to fill in Part III of Schedule B for Foreign Accounts and Foreign Trusts (see page 19 of Instructions).

When to File

You should file as soon as you can after January 1, but not later than April 15, 1980. If you file late, you may have to pay penalties and interest. Please see the instructions for Penalties and Interest on page 15. If you know that you cannot meet the April 15 deadline, you should ask for an extension on Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return.

IRS Will Figure Your Tax and Some of Your Credits

If you want us to, we will figure your tax for you. If you paid too much, we will send you a refund. If you did not pay enough, we will bill you for the balance. You will not be charged interest or penalties if the bill for tax due is paid within 30 days of the notice date, or by the due date for your return, whichever is later.

We can figure your tax if you meet all of the conditions below:

- All of your income for 1979 was from one or more of these:
 - Salaries and Wages.
 - Tips.
 - Interest.
 - Dividends.
 - Pensions or Annuities.
- You do not itemize deductions.
- You do not file Schedule G, Income Averaging.
- You do not file Form 2555, Deduction from, or Exclusion of, Income Earned Abroad.

Where to File

Please use the addressed envelope that came with your return. If you do not have an addressed envelope, or if you moved during the year, mail your return to the Internal Revenue Service Center for the place where you live. No street address is needed.

Alabama—Atlanta, GA 31101
Alaska—Ogden, UT 84201
Arizona—Ogden, UT 84201
Arkansas—Austin, TX 73301
California—Fresno, CA 93888
Colorado—Ogden, UT 84201
Connecticut—Andover, MA 05501
Delaware—Philadelphia, PA 19255
District of Columbia—Philadelphia, PA 19255
Florida—Atlanta, GA 31101
Georgia—Atlanta, GA 31101
Hawaii—Fresno, CA 93888
Idaho—Ogden, UT 84201
Illinois—Kansas City, MO 64999

Indiana—Memphis, TN 37501
Iowa—Kansas City, MO 64999
Kansas—Austin, TX 73301
Kentucky—Memphis, TN 37501
Louisiana—Austin, TX 73301
Maine—Andover, MA 05501
Maryland—Philadelphia, PA 19255
Massachusetts—Andover, MA 05501

Michigan—Cincinnati, OH 45999
Minnesota—Ogden, UT 84201
Mississippi—Atlanta, GA 31101
Missouri—Kansas City, MO 64999
Montana—Ogden, UT 84201
Nebraska—Ogden, UT 84201
Nevada—Ogden, UT 84201
New Hampshire—Andover, MA 05501
New Jersey—Holtzville, NY 00501
New Mexico—Austin, TX 73301
New York—New York City and Counties of Nassau, Rockland, Suffolk and Westchester—Holtzville, NY 00501

All Other Counties—
Andover, MA 05501
North Carolina—Memphis, TN 37501
North Dakota—Ogden, UT 84201
Ohio—Cincinnati, OH 45999
Oklahoma—Austin, TX 73301
Oregon—Ogden, UT 84201
Pennsylvania—Philadelphia, PA 19255
Rhode Island—Andover, MA 05501
South Carolina—Atlanta, GA 31101
South Dakota—Ogden, UT 84201
Tennessee—Memphis, TN 37501
Texas—Austin, TX 73301
Utah—Ogden, UT 84201
Vermont—Andover, MA 05501
Virginia—Memphis, TN 37501
Washington—Ogden, UT 84201
West Virginia—Memphis, TN 37501
Wisconsin—Kansas City, MO 64999
Wyoming—Ogden, UT 84201

Panama Canal Zone, American Samoa—Philadelphia, PA 19255
Guam—Commissioner of Revenue and Taxation, Agaña, GU 96910
Puerto Rico (or if excluding income under Section 933)—Philadelphia, PA 19255
Virgin Islands: Non-permanent residents—Philadelphia, PA 19255
Virgin Islands: Permanent residents—Department of Finance, Tax Division, Charlotte Amalie, St. Thomas, VI 00801
Foreign country and have an A.P.O. or F.P.O. address of:
Miami—Atlanta, GA 31101
New York—Holtzville, NY 00501
San Francisco—Fresno, CA 93888
Seattle—Ogden, UT 84201
Foreign country: U.S. citizens and those excluding income under section 911 or 931, or claiming deductions under section 913—Philadelphia, PA 19255

Other Information

Death of Taxpayer

Did the taxpayer die before filing a return for 1979?—If so, the taxpayer's spouse or personal representative must file a return for the person who died. A personal representative can be an executor, administrator, or anyone who is in charge of the taxpayer's property.

If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund.

If your spouse died in 1979 and you did not remarry in 1979, you can file a joint return. You can also file a joint return if your spouse died in 1980 before filing a return.

A joint return should show your spouse's 1979 income before death and your income for all of 1979. Please write "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign. Show the date of death in the name and address space of Form 1040.

If you want more details, please get Publication 559, Tax Information for Survivors, Executors, and Administrators.

U.S. Citizens Living Abroad
Generally, foreign source income must be reported on your return. Please get Publication 54, Tax Guide for U.S. Citizens Abroad, for more information.

Steps for Preparing Your Return

We have set up this year's instructions using 9 steps. You should complete the first 4 steps that follow BEFORE you begin to fill out your return.

Then, you may find it helpful to follow the Line-By-Line Instructions. They begin on page 6 and end on page 15.

Finally, steps 6 through 9 are on page 15. They are the steps you should take after your Form 1040 (and other schedules and forms you need) are filed in.

If you follow these steps and read the Line-By-Line Instructions, we feel you can fill in your return quickly and accurately. If you have any questions, call or visit an Internal Revenue Service office.

Step 1

Get all of your income records together

These include any Forms W-2, W-2G, W-2P, 1087, and 1099 that you may have. If you don't get a Form W-2 by January 31, or if the one you get isn't correct, please contact your employer as soon as possible. Only your employer can give you a Form W-2, or correct it. If you cannot get a Form W-2 by February 15, please contact an IRS office.

If you have someone prepare your return for you, make sure they have all your income records and expense records so they can fill in your return correctly. Remember, if someone else prepares your return incorrectly—you are still responsible.

Step 2

If you plan to take tax credits or itemize deductions, get all the information and expense records you will need

Pages 13 through 18 of these instructions tell you what credits and deductions you can take. Some of the records you may need are:

- Medical and dental payment records.
- Real estate and personal property tax receipts.
- Interest payment records for items such as a home mortgage and installment payments on cars or appliances.

Page 5

Step 3

Get your forms, schedules, or publications you need

In general, we mail forms and schedules directly to you based on what you filed last year. Before you fill in your return, you may want to look it over to see if you need more forms or schedules.

If you think you will need any other forms, get them before you start to fill in your return. Your local bank or post office, or any IRS office, should have most of them. Or, you can use the order blank on the next to the last page of this instruction booklet. We will send you the forms, schedules, and publications you ask for.

Step 4

Use the mailing label from the forms booklet we sent you and make sure it is correct

If it isn't, please correct it. If the label is for a joint return and the social security numbers are not listed in the same order as the first names, show the numbers in the correct order.

If you have an apartment number that isn't shown on the label, please list it.

Do not attach your label to your return until you finish filling it in and check all entries.

If you don't have a social security number, please get Form SS-5 from a Social Security Administration (SSA) office, post office, or IRS office. File it with your local SSA office early enough to get your number before April 15. If you do not get the number by then, file your return without it and write "Applied for" in the block for your social security number.

Step 5

Fill in your return

We have listed Line-By-Line Instructions for filling in the Form 1040. The instructions begin below and end on page 15. Please follow them.

Step 6 picks up on page 15.

Line-By-Line Instructions—Form 1040

Name, Address, and Social Security Number Blocks

Please use the mailing label from the forms booklet we sent you. If you did not receive a booklet with a label, print or type your name and address. If you are married, give social security numbers for both you and your spouse whether you file joint or separate returns.

Page 6

If your spouse is a nonresident alien, has no income, and does not have a social security number, please write "NRA" in the block for your spouse's social security number.

If you are filing a joint return, please show the social security numbers in the same order that you show your first names. If you are filing a joint return and use different last names, please separate the last names with an "and." For example: "Brown and Smith." Be sure to show the last names in the same order that you showed the first names.

Remember to show your occupations in the spaces in the upper right corner just below the social security number blocks.

Presidential Election Campaign Fund

You may have \$1 go to this fund by checking the Yes box. On a joint return, both of you may choose to have \$1 go to this fund, or both may choose not to. One may choose to have \$1 go to this fund and the other may choose not to.

If you check Yes, it will not change the tax or refund shown on your return.

Do not claim this amount as a credit for contributions to candidates for public office on line 38.

Filing Status

Boxes 1 through 5

Were You Single or Married?

If you were single, divorced, or legally separated on December 31, consider yourself single for the whole year. State law governs whether you are married, divorced, or legally separated.

If you were married on December 31, consider yourself married for the whole year. If you meet the tests for Married Persons Who Live Apart (and Abandoned Spouses), below, you may consider yourself single for the whole year.

If your spouse died during 1979, consider yourself married to that spouse for the whole year, unless you remarried before the end of 1979.

Married Persons

Joint or Separate Returns?

Joint Return. In most cases, married couples will pay less tax if they file a joint return. You must report all income, exemptions, deductions, and credits for you and your spouse. Both of you must sign the return, even if only one of you had income.

You and your spouse can file a joint return even if you did not live together for the whole year. Both of you are responsible for any tax due on a joint return, so if one of you does not pay, the other may have to.

If your spouse died in 1979, or in 1980 before filing a return for 1979, write in the signature area "Filing as surviving spouse." Show the date of death in the name and address space.

Tax Savings.—If you decide not to file a joint return and plan to file a separate

return, see if you can lower your tax by meeting the tests described below under Married Persons Who Live Apart (and Abandoned Spouses). If you can, you should check Box 1 for Single or, if you qualify, Box 4 for Head of household.

Special Rule for Aliens.—If at the end of 1979, you were a nonresident alien married to a citizen or resident of the United States, you may be able to file a joint return with your spouse. If you do file a joint return, you and your spouse must agree to be taxed on your combined worldwide income.

For more details, please get Publication 519, U.S. Tax Guide for Aliens.

Separate Returns. You can file separate returns if both you and your spouse had income, or if only one of you had income. If you both file, you and your spouse must figure your tax the same way. This means if one itemizes deductions, the other must itemize. You each report only your own income, exemptions, deductions, and credits, and you are responsible only for the tax due on your own return.

If you file a separate return, write your spouse's full name in the space after Box 3 and your spouse's social security number in the block provided for that number.

If your spouse does not file, you can claim the exemptions for your spouse. Please see Exemptions on page 7.

Community Property States.—Community property States are: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington. If you and your spouse live in a community property State, you must follow State law to determine what is community income and what is separate income.

For more details, please get Publication 555, Community Property and the Federal Income Tax.

Married Persons Who Live Apart (and Abandoned Spouses).—Some married persons who do not live with their husband or wife (and abandoned spouses) may file as Single or as Head of household and use tax rates that are lower than those for married persons filing separate returns. This means that if your spouse itemizes deductions, you do not have to. You and your spouse can file this way if you both meet the tests.

You should check Box 1 for Single if you meet ALL of the following tests:
a. You file a separate return.
b. You paid more than half the cost to keep up your home in 1979.
c. Your spouse did not live with you at any time during 1979, and
d. For over 6 months of 1979, your home was the principal residence of your child or stepchild whom you can claim as a dependent.

You should check Box 4 for Head of household if your home in test d, above, was the dependent child's principal residence for ALL of 1979. The tax rates for Head of household are even lower than the rates for Single. You may also be able to claim the earned income credit.

Pensions, annuities, endowments (Schedule E), including lump-sum distributions (Form 4972 or Form 5544). Gains from the sale or exchange of real estate, securities, or other property (Schedule D or Form 4797).

Gains from the sale of your personal residence (Schedule D and Form 2119). Rents and royalties (Schedule E). Your share of estate or trust income, (Schedule E) including accumulation distributions from trusts (Form 4970), Supplemental annuities under the Railroad Retirement Act (but not regular Railroad Retirement Act benefits).

Prizes and awards (contests, raffles, lottery and gambling winnings).

Earned income from sources outside the United States (Form 2555).

Directors fees.

Fees received for jury duty and precinct election board duty.

Fees received as an executor or administrator of an estate.

Embezzled or other illegal income.

Rounding Off to Whole Dollars

You may round off cents to the nearest whole dollar on your return and schedules. But, if you do round off, do so for all amounts. You can drop amounts under 50 cents. Increase amounts from 50 to 99 cents to the next dollar. For example: \$1.39 becomes \$1 and \$2.69 becomes \$3.

Line 8

Wages, Salaries, Tips, Etc.

Show the total of all wages, salaries, fees, commissions, tips, bonuses, supplemental unemployment benefits, and other amounts you were paid before taxes, insurance, etc. were taken out.

Include in this total:

- The amount shown on Form W-2 in the box Wages, tips, other compensation. Report all wages you received, even if you do not have a Form W-2.
- Tips you did not report to your employer. (Show any social security tax due on these tips on line 51a—see the instructions on page 13.)
- Certain disability retirement income if you are under age 65. (Form W-2P)
- Payments by insurance companies, etc., not included on Form W-2. If you receive sick-pay or a disability payment from anyone other than your employer, and it is not included in the wages shown on Form W-2, include it on line 8. Attach a statement showing the name and address of the payer and amount of sick-pay or disability income.
- Fair market value of meals and living quarters if given by your employer as a matter of your choice and not for your employer's convenience. (Don't report the value of meals given you at work if they were provided for your employer's convenience. Also do not report the value of living quarters you had to accept as a condition of employment.)

• Strike and lockout benefits paid by a union from union dues. Include cash and the fair market value of goods received. Don't report benefits that were meant as a gift.

Note: You must report on line 8 all wages, etc., paid for your personal services, even if the income was signed over to a trust, another person, a corporation, or tax exempt organization.

If you want more information on reporting income received in the form of goods, property, meals, stock options, educational assistance provided by your employer under a qualified written plan, etc., please get Publication 525, Taxable and Nontaxable Income.

Line 9

Interest Income

Enter your total interest income. If the total is more than \$400, first fill in Schedule B. (The instructions for Schedule B begin on page 18.)

Report any interest you received or that was credited to your account so you could withdraw it. (It does not have to be entered in your passbook.)

Interest Income You MUST Report

- Accounts with banks, credit unions, and savings and loan associations.
- Building and loan accounts.
- Notes and loans.
- Tax refunds (report only the interest on them as interest income).
- Bonds and debentures. Also arbitrage bonds issued by State and local governments after October 9, 1969. (Do not report interest on other State and local bonds and securities.)
- The discount for the part of the year you held corporate bonds or other notes first issued at a discount after May 27, 1969.
- U.S. Savings Bonds. The interest is the yearly increase in the value of the bond. Interest on Series E bonds can be reported using method a or b below:
 - a. Report the total interest when you cash the bonds, or when they reach final maturity and no longer earn interest.
 - b. Or, each year on your return, report the yearly increase of the bonds' value.
 If you change to method b, report the entire increase in all your bonds from the date they were issued. Each year after, report only the yearly increase. Once you have used method b to report your interest, you must continue to do so for all your U.S. Savings Bonds.
- For more information, get Publication 550, Investment Income and Expenses, or Publication 537, Installment and Deferred-Payment Sales.

Line 10a

Dividends

Dividends are distributions of money, stock, or other property that corporations pay to stockholders. They also include dividends you receive through a partnership or an estate or trust. Payers include nominees or other agents.

If the total, including capital gain and nontaxable distributions, is more than \$400, first fill in Schedule B. (The instructions for Schedule B begin on page 18.)

If you received \$400 or less in dividends, include only the ordinary dividends on line 10a.

Dividends Include

- Ordinary dividends. These are paid out of earnings and profits and are ordinary income. Assume that any dividend you receive is an ordinary dividend unless the paying corporation tells you otherwise.
- Capital gain distributions. If you have other capital gains or losses, you should also enter your capital gain distributions on Schedule D. If your capital gain distributions do not include any gains before Nov. 1, 1978, and you don't need Schedule D to report any other gains or losses, don't use it. Instead, show the taxable part of your capital gain distributions on Form 1040, line 15.
- Nontaxable distributions. In general, distributions that are NOT made out of earnings and profits are nontaxable. They are a return of your investment and will not be taxed until you recover your cost. You must reduce your cost (or other basis) by the amount of nontaxable distributions received. After you get back all of your cost (or other basis), you must report these distributions as capital gains.

Do Not Report as Dividends

- Mutual insurance company dividends that reduced the premiums you paid.
 - Amounts paid on deposits or accounts from which you could withdraw your money. For example, dividends paid by savings and loan associations, mutual savings banks, cooperative banks, and credit unions are actually interest.
- Remember to report these amounts as interest on Form 1040, line 9.
- For more information, please get Publication 550, Investment Income and Expenses.

Line 10b

Exclusion

- You may exclude (subtract) up to \$100 of ordinary dividends you received from qualifying domestic corporations.
- If both you and your spouse had dividend income from jointly or separately owned stock, you may each subtract up to \$100 of dividend income even if you file a joint return. However, neither of you can use any part of the \$100 exclusion not used by the other in the case of stock owned separately.
- For example, you had \$300 in dividends and your spouse had \$20 on stock you each owned separately. Only \$120 may be excluded. If this stock was owned jointly, then you and your spouse could subtract \$200 (\$100 each).
- Taxable dividends from the following corporations do not qualify for the dividends exclusion:
 - Foreign corporations, including dividends from controlled foreign corporations.
 - Exempt organizations (charitable, fraternal, etc.) and exempt farmers' cooperative organizations.

- Regulated investment companies, unless the companies have told you how much of the dividends qualify for the exclusion.
- Real estate investment trusts.
- Electing small business corporations to the extent the amounts are distributions out of current earnings and profits. For this purpose, current earnings and profits are limited to taxable income for the year.

Line 10c

Subtract line 10b from line 10a. Enter the result on this line.

Line 11

State and Local Income Tax Refunds

If you received a refund or credit in 1979 for State or local income taxes you paid in 1978 or a prior year, you may have to report the refund as income on your Federal income tax return.

Do not report the refund as income if it was for a tax you paid in a year for which you did not itemize deductions on Schedule A (Form 1040).

If the refund was for a tax you paid in a year for which you itemized deductions on Schedule A (Form 1040), report the entire refund as income if the entire deduction in the year of payment resulted in a Federal income tax savings.

If only part of the deduction resulted in a Federal income tax savings, report only that part of the refund that resulted in the savings. (If you need help in figuring this amount, please contact an Internal Revenue Service office.)

If you itemize deductions for 1979, do not reduce the deduction for taxes by any refund of those taxes for an earlier year.

Line 12

Alimony Received

Show amounts you received as alimony or separate maintenance on line 12. For more information, please get Publication 504, Tax Information for Divorced or Separated Individuals.

Line 13

Business Income or (Loss)

Please see the instructions for Schedule C. Enter your income or (loss) from Schedule C.

Line 14

Capital Gain or (Loss)

Please see the instructions for Schedule D. Enter the gain or (loss) from Schedule D.

Line 15

Capital Gain Distributions

If your capital gain distributions for the year do not include any gains before Nov. 1, 1978, and you do not need Schedule D for other transactions, enter 40% of your capital gain distributions for the year on line 15.

If your capital gain distributions include gains before this date, you must use Schedule D.

Line 16

Supplemental Gains or Losses

If you sold or exchanged assets used in a trade or business, see the instructions for Form 4797.

Enter the gain or (loss) from Form 4797.

Line 17

Fully Taxable Pensions and Annuities

Use this line to report pension and annuity income you did not report on Schedule E. This includes:

- Pensions and annuities if you paid no part of their cost.
 - Military retirement pay from Form W-2P.
 - Amounts you received as an annuity under the special rule if you recovered your cost before January 1, 1979. See the instructions for Schedule E for details.
- Note:** Also see Should You File a Declaration of Estimated Tax? on page 15.

Line 18

Pensions, Annuities, Rents, Royalties, Partnerships, Estates or Trusts

See the instructions for Schedule E. Enter the income or (loss) from Schedule E.

Note: Use Schedule E to report a "roll over" of a profit sharing or retirement plan distribution into an individual retirement arrangement (IRA) or other profit sharing or retirement plan.

Line 19

Farm Income or (Loss)

See the instructions for Schedule F. Enter the income or (loss) from Schedule F.

Line 20

Unemployment Compensation

Under prior tax law, unemployment compensation payments were not included in gross income. However, the Revenue Act of 1978 provides that unemployment compensation you receive after 1978 may be subject to Federal income tax under certain conditions.

You should get a statement, on Form 1099-UC, showing the total unemployment compensation paid to you during the year. For payments in 1979, you should receive this statement by January 31, 1980.

Note: Supplemental unemployment benefits received from a company-financed supplemental unemployment benefit fund are wages. They are not considered unemployment compensation for purposes of this computation. Report these benefits on Form 1040, line 8.

If you received any unemployment compensation during 1979, please enter the total on line 20a. To see if any of the unemployment compensation is taxable, fill in the following worksheet:

Check only one box

- A. Single.
- B. Married filing a joint return.
- C. Married not filing a joint return and lived with your spouse at any time during the year.
- D. Married not filing a joint return but DID NOT live with your spouse at any time during the year.

1. Enter the total of the amounts on Form 1040, lines 8, 9, 10c through 19, and 21 (do not include any unemployment compensation in this figure)
2. Enter the total of the amounts shown on Form 1040, lines 23 through 28
3. Subtract line 2 from line 1
4. Total unemployment compensation from Form(s) 1099-UC
5. Add lines 3 and 4
6. Enter $\left\{ \begin{array}{l} \$20,000 \text{ if you checked} \\ \text{box A or D, or} \\ 25,000 \text{ if you checked} \\ \text{box B, or} \\ -0- \text{ if you checked} \\ \text{box C} \end{array} \right.$
7. Subtract line 6 from line 5. If zero or less, stop here and enter -0- on Form 1040, line 20b
8. Enter one-half (50%) of the amount on line 7
9. Taxable unemployment compensation. Enter the amount from line 4 or line 8, whichever is smaller. Also enter on Form 1040, line 20b

Line 21

Other Income

Use line 21 to report any income you can't find a place for on your return or other schedules. Also show the nature and source of the income. **Note:** Do not report any income from self-employment on line 21. If you do have any income from self-employment, you must use Schedule C or Schedule F.

Examples of income to be reported on line 21 are:

- Prizes, awards and gambling winnings. Proceeds from lotteries, raffles, etc., are gambling winnings (if you had any gambling losses, you may take them as an itemized deduction on Schedule A. However, you cannot deduct more losses than the winnings you report on this line.)
- Repayment of medical expenses or other items such as real estate taxes that you deducted in an earlier year, if they reduced your tax.
- Amounts you recovered on bad debts that you deducted in an earlier year.
- Amounts your employer paid you for business expenses that are more than you spent for the actual business expenses. Net operating loss. If you had a net operating loss in an earlier year to carry forward to 1979, you should enter it as a minus figure on line 21. Attach a statement showing how you figured the amount.

Line 22

Total Income

Add the amounts in the columns for lines 8 through 21. Enter the total on line 22.

Adjustments to Income

Line 23

Moving Expense

Employees and self-employed persons (including partners) can deduct certain moving expenses. The move had to be in connection with your job or business.

You can take this deduction only if your change in job location has added at least 35 miles to the distance from your old residence to your work place. If you had no former principal work place, your new principal work place must be at least 35 miles from your former residence.

If you meet these requirements, you should see Form 3903 for details. Use Form 3903 to figure the amount of moving expenses to show on line 23. If you moved outside the United States or its possessions, see Form 3903F.

If your employer paid for any part of the move, you must report that as income on Form 1040, line 8. Your employer should give you Form 4782 and include that amount in total wages, tips and other compensation on Form W-2.

Line 24

Employee Business Expenses

You can deduct certain business expenses that were not paid by your employer. Travel, transportation (but not commuting to and from work) and meals and lodging can be deducted on line 24 by using Form 2106 even if you do not itemize deductions on Schedule A. All other business expenses such as union or professional dues, tools and uniforms, can be deducted only if you itemize deductions on Schedule A. Outside salespersons should claim their business expenses on line 24 by using Form 2106. For details, get Publication 463, Travel, Entertainment and Gift Expenses.

Note: If you have income earned abroad and claim excess foreign living expenses on Form 2555, enter your total deduction on line 24 and label it "Expenses from Form 2555".

Line 25

Payments to an IRA (Individual Retirement Arrangement)

Use the following worksheet to figure your deduction for payments to an IRA (including those made under a Simplified Employee Pension (SEP) plan). You may include payments made on or before the due date of this return (including any extensions). Do not include 1979 payments made before the due date of your 1978 income tax return and deducted on your 1978 tax return. If this is a joint return and both spouses work and both have IRAs, figure each spouse's deduction separately. Enter the total of the two deductions on line 25.

For more information, see Publication 590, Tax Information on Individual Retirement Arrangements.

Worksheet

1. Amount paid to your IRA. (Do not include rollovers or your employer's SEP payments.) _____
2. Your employer's SEP payments to your IRA _____
3. Add lines 1 and 2 _____
4. Amount paid to your non-working spouse's IRA. (Do not include rollovers.) _____
5. Add lines 3 and 4. (If you made excess payments in 1978, you may be able to include them on this line. See instructions for Form 5329, line 3.) _____
6. Wages and other earned income from Form 1040. (Do not include spouse's income.) _____
7. Enter employer's SEP payments _____
8. Subtract line 7 from line 6. _____

Complete limitation 9, 10, or 11 below, whichever applies to you. If your employer contributes to your IRA and your non-working spouse's IRA under a SEP, use the limitation on line 10.

9. Regular IRA. Enter \$1,500 or 15% of line 8, whichever is smaller _____
10. IRA for you and your non-working spouse. Enter the smallest of: (a) 15% of line 8; or (b) \$1,750; or (c) 2 times the amount on line 3; or (d) 2 times the amount on line 4 _____
11. Simplified Employee Pension (SEP). Enter the smaller of: (a) 15% of line 8; or (b) the total of line 2 (but not more than \$7,500) and \$1,500 minus line 2 (but not less than zero) _____
12. Allowable deduction. Enter the smaller of: (a) the amount from line 5; or (b) your limitation from line 9, 10, or 11. Also enter on Form 1040, line 25 _____

(If line 5 is larger than line 12 and you do not withdraw this excess payment before your return is due, you must file Form 5329 and pay the tax due.)

Line 26

Payments to a Keogh (H.R. 10) Retirement Plan

Enter the allowable deduction for contributions to your Keogh (H.R. 10) plan on line 26. Sole proprietors should also file Form 5500-K or Form 5500. However, if the sole proprietor is the only person who has ever participated in the Keogh plan, Form 5500-K does not have to be filed for 1979. Partners are not required to file returns for Keogh plans in which they participate.

Form 5500-K is for a plan with less than 100 participants and at least one owner-employee. Form 5500 is for a plan with 100 or more participants.

File the form as a separate return on or before the last day of the 7th month following the end of the plan year. Do not attach it to your Form 1040. Avoid penalties by filing complete returns and statements when due. If you need help, contact an IRS office or get Publication 560, Tax Information on Self-Employed Retirement Plans.

Line 27

Interest Penalty on Early Withdrawal of Savings

The Form 1099-INT given to you by your bank or savings and loan association will show the amount of any interest penalty you were charged because you withdrew funds from your time savings deposit before its maturity. Enter this amount on line 27. (Be sure to include the interest income on Form 1040, line 9.)

Line 28

Alimony Paid

You can deduct periodic payments of alimony or separate maintenance made under a court decree. You can also deduct payments made under a written separation agreement entered into after August 16, 1954, or a decree for support entered into after March 1, 1954. Don't deduct lump sum cash or property settlements, voluntary payments not made under a court order or a written separation agreement, or amounts specified as child support. For details, get Publication 504, Tax Information for Divorced or Separated Individuals.

Line 29

Disability Income Exclusion

This exclusion is for persons who are retired on permanent and total disability. You must meet ALL these tests:

- You had not reached mandatory retirement age on January 1, 1979.
- You were under age 65 on December 31, 1979.
- You were permanently and totally disabled—
 - a. when you retired, or
 - b. on January 1, 1976, or January 1, 1977, if you retired before the later date on disability or under circumstances which entitled you to retire on disability.

Use Form 2440, Disability Income Exclusion, to figure the amount of any exclusion. Enter the exclusion from Form 2440 on this line.

Line 30

Total Adjustments

Add lines 23 through 29. Enter the total on this line.

Line 31

Adjusted Gross Income

Subtract line 30 from line 22. If line 31 is less than \$10,000, you may be eligible to claim the Earned Income Credit. Please see page 2 of the instructions.

If line 31 is less than zero (\$0) you may have a net operating loss that you can carry to another tax year. If you carry the loss back to earlier years, see Form 1045. For more information, please get Publication 535, Business Expenses and Operating Losses.

Tax Computation

Line 32

Enter the amount from line 31.

Line 33

You will fall into one of the three classes below:

- You MUST itemize deductions, or
- You choose to itemize, or
- You do not itemize.

The three classes are described below.

You MUST Itemize Deductions

You must itemize deductions if:

- A. You can be claimed as a dependent on your parents' return and had interest, dividends, or other unearned income of \$1,000 or more. Generally, this means that you must complete Schedule A and Schedule TC, Part II.

There are two exceptions to this rule:

1. You don't have to itemize or complete Schedule A, or Part II of Schedule TC, if you have earned income* of \$2,300 or more if single (\$1,700 or more if married filing a separate return). Enter zero (0) on line 33 and go on to line 34.
2. You don't have to itemize and complete Schedule A if you know that your earned income* is more than your itemized deductions. In this case go directly to Schedule TC, Part II, after completing line 32 of Form 1040.

Note: If your unearned income is less than \$1,000, you don't have to use Schedule A or Schedule TC—enter zero (0) on line 33 and go on to line 34.

In any case, be sure to check the box on line 33.

B. You are married, filing a separate return, and your spouse itemizes. (There is an exception to this rule: You don't have to itemize if your spouse is described in item A above, and enters earned income* instead of itemized deductions when completing Part II of Schedule TC.)

C. You file Form 4563 and exclude income from sources in U.S. possessions. (Please see Form 4563, and Publication 570, Tax Guide for U.S. Citizens Employed in U.S. Possessions, for more details.)

D. You had dual status as a nonresident alien for part of 1979, and during the rest of the year you were either a resident alien or a U.S. citizen. However, you do not have

*Earned income is income you receive for personal services you have performed. It includes wages, salaries, and professional fees. Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 8, 13, and 19.

Earned income does not include pay for your services that included a distribution of earnings and profits other than reasonable compensation for your work for a corporation. If you were engaged in a trade or business in which both your services and capital were important income-producing factors, your earned income will be based on a reasonable allowance for the services you performed. However, the earned income may not be more than 30 percent of your share of the net profits from the business.

to itemize if you file a joint return with your spouse who was a U.S. citizen or resident at the end of 1979 and your spouse agree to be taxed on your combined worldwide income.

Generally, you must complete Schedule A (Itemized Deductions) if item A, B, C, or D, above applies to you. After you've completed Schedule A:

- a. If Schedule A, line 40, is more than line 39, do not fill in Form 1040, line 33. Go to Schedule TC instead and complete Part II to figure the amount to enter on Form 1040, line 34.
- b. If Schedule A, line 39, is more than line 40, enter the amount from Schedule A, line 41, on Form 1040, line 33.

You Choose to Itemize

You may choose to itemize your deductions if you are:

- Married and filing a joint return, or a Qualifying widow(er) with dependent child, and your itemized deductions are more than \$3,400.
- Married and filing a separate return, and your itemized deductions are more than \$1,700.
- Single, or a Head of household, and your itemized deductions are more than \$2,300.

If you do itemize, complete Schedule A and enter the amount from Schedule A, line 41, on Form 1040, line 33.

Caution: Certain taxpayers must itemize even though their itemized deductions are less than the amount shown here for their filing status. See "You MUST Itemize Deductions" above.

You Do Not Itemize

If your itemized deductions are less than the amount shown above for your filing status (or you choose not to itemize), enter zero on line 33 unless you MUST itemize as described above.

Line 34

Subtract line 33 from line 32. Remember—if you completed Schedule TC, Part II, the amount on line 34 will be the amount from Schedule TC, Part II, line 5, and line 34 will be more than line 32.

Line 35

Tax

To figure your tax, you will use either the Tax Tables or Schedule TC, Part I. Read the conditions below to see which you should use.

Schedule TC

You must use Schedule TC, Part I, to figure your tax if:

- Line 34 is more than \$20,000 and you checked Form 1040, Filing Status Box 1, 3, or 4.
- Line 34 is more than \$40,000 and you checked Form 1040, Filing Status Box 2 or 5.
- You claim:
 - 4 or more exemptions and checked Form 1040, Filing Status Box 1 or 3;
 - 9 or more exemptions and checked Form 1040, Filing Status Box 4; or

10 or more exemptions and checked Form 1040, Filing Status Box 2 or 5. Also use Schedule TC, Part I, if you figure your tax using either of the methods listed below.

Income Averaging, Schedule G.—Generally, you may want to use this method if there has been a large increase in your income this year. If so, fill in Schedule G.

Maximum Tax on Personal Service Income, Form 4726.—The tax on this income is limited to a maximum rate of 50 percent. You should get Form 4726 for more information if your taxable income, or personal service taxable income, was over:

- a. \$41,500 and you checked Form 1040, Filing Status Box 1, OR
- b. \$60,000 and you checked Form 1040, Filing Status Box 2 or 5, OR
- c. \$44,700 and you checked Form 1040, Filing Status Box 4.

You can't use Form 4726 if you checked Form 1040, Filing Status Box 3.

Tax Tables

If none of the above conditions apply to you, you MUST use the Tax Tables to find your tax.

Be sure you use the correct Tax Table. If you checked Form 1040:

- Filing Status Box 1, use Tax Table A (Single).
 - Filing Status Box 2 or 5, use Tax Table B (Married Filing a Joint Return and Qualifying Widow(er)).
 - Filing Status Box 3, use Tax Table C (Married Filing a Separate Return), or
 - Filing Status Box 4, use Tax Table D (Head of Household).
- Instructions for using the Tax Tables are at the beginning of each table. After you have found the correct tax, enter that amount on line 35.

Allowances for the zero bracket amount and personal exemptions have already been built into the Tax Tables for you.

Line 36

Additional Taxes

Use this line to report any of the additional taxes listed below. Check the box(es) on line 36 for the taxes that apply to you.

Form 4970, Tax on Accumulation Distribution of Trusts.

Form 4972, Special 10-Year Averaging Method.

Form 5544, Multiple Recipient Special 10-Year Averaging Method.

Form 5405, Recapture of Credit for Purchase or Construction of New Principal Residence.

Section 72(m)(5) penalty tax. If you are or were an owner-employee, and received income from a premature or excessive distribution from a Keogh (H.R. 10) plan or trust, you will have to pay a penalty tax of 10 percent of the distribution. The penalty is in addition to the regular income tax. (Note: Only the credits on lines 38, 39, 40, and 45 can be used to reduce this tax. On a separate sheet, show how you applied any of these credits.) See Publication 560,

Tax Information on Self-Employed Retirement Plans, for more details.

Line 37 Total

Add lines 35 and 36. Enter the total on line 37.

Credits

Line 38

Credit for Contributions to Candidates for Public Office

You may take a tax credit on this line for contributions to candidates for public office, political committees, and newsletter funds of candidates and elected public officials.

Do not take this credit for the \$1 or \$2 you checked to go to the Presidential Election Campaign Fund.

To figure your credit, add up the amounts you gave. Enter half of this total on line 38, but do not enter more than the smaller of the following:

- \$50 (\$100 if you are married and filing a joint return), or
- The amount on line 37 reduced by the credits on lines 39, 41, and 42.

For more information, please see Publication 585, Voluntary Tax Methods to Help Finance Political Campaigns.

Line 39

Credit for the Elderly

You may be able to take this credit and reduce your tax if you are:

- Age 65 or over, or
- Under age 65 and retired under a public retirement system.

For more information, please see the instructions for Schedules R & RP. Enter the credit on this line.

If you want IRS to figure the credit for you, see IRS Will Figure Your Tax and Some of Your Credits on pages 4 and 5.

Line 40

Credit for Child and Dependent Care Expenses

You may be able to take a credit on line 40 for payments you made for child and disabled dependent care while you or your spouse worked or looked for work.

The credit is allowed if you kept up a home that included a child under age 15 or your dependent or spouse who could not care for himself or herself.

Please see Form 2441 for more information, including a special rule for divorced or separated taxpayers.

Line 41

Investment Credit

You are allowed a credit for investing in certain types of trade or business property. Use Form 3468 to figure the amount of any credit. Enter the credit from Form 3468 on this line.

Line 42

Foreign Tax Credit

Form 1116 explains when you can take this credit for payment of income tax to a

foreign country. Also see Publication 514, Foreign Tax Credit for U.S. Citizens and Resident Aliens. Enter the credit from Form 1116 on this line.

Line 43

Credit for Wages Paid or Incurred in Work Incentive (WIN) Programs

You may be able to take a credit on this line for hiring employees under a WIN program. You may also claim a credit for employing certain persons who receive AFDC payments. For more details, get Form 4874.

Line 44

Jobs Credit

Business employers who hire individuals who are members of special targeted groups may qualify for this credit. Please get Form 5884 and Publication 906, Targeted Jobs and Win Credits, for more information.

Line 45

Residential Energy Credits

Generally, if you installed energy saving items in your principal residence during 1979, or you have an unused energy credit carryover from the previous tax year, you may take a credit against your tax. Form 5695, Energy Credits, tells you which energy saving items qualify and how to take the credit. Also, please see Publication 903, Energy Credits for Individuals, for more information.

Line 46

Total Credits

Add lines 38 through 45. Enter the total on this line.

Line 47

Balance

Subtract line 46 from line 37 and enter the result on this line. If the amount is less than zero, enter zero.

Other Taxes

Line 48

Self-Employment Tax

If you had self-employment income in 1979, and earned under \$22,900 in wages from which FICA or RRTA tax was withheld, you may have to pay self-employment tax. Please see Schedule SE and instructions. If you have to pay self-employment tax, enter the amount from Schedule SE, line 18.

Line 49a

Minimum Tax

You may be liable for minimum tax if you have any of the following tax preference items:

- accelerated depreciation;
- amortization;
- reserves for bad debts of financial institutions;
- stock options;
- depletion; and
- intangible drilling costs.

Attach Form 4625 and enter the tax on this line if you have:

- Items of tax preference of more than \$10,000 (\$5,000 if married filing a separate return) even if there is no minimum tax; or
- any minimum tax liability deferred from an earlier tax year.

See Form 4625 for more information.

Line 49b

Alternative Minimum Tax.

You may be liable for the alternative minimum tax if you have tax preference items for long-term capital gains or adjusted itemized deductions. You may also be liable for this tax if Form 1040, line 34, is more than \$21,000 (\$11,000 if you are married filing a separate return) and you have an entry on line 46 for tax credits.

In general, you have adjusted itemized deductions if your itemized deductions exceed 60% of your adjusted gross income.

For more information, see Form 6251, Alternative Minimum Tax Computation.

Line 50

Tax from Recomputing Prior Year Investment Credit

You may owe this tax if you:

- held investment credit property for less than seven years; and
- disposed of it before the end of its useful life.

See Form 4255 for details. Enter any tax from Form 4255 on this line.

You may also need Form 4255 if you disposed of more than one-third of your interest in a partnership or small business corporation.

Line 51a

Social Security (FICA) Tax on Tip Income Not Reported to Employer

If you received tips of \$20 or more in any month and you did not report the full amount to your employer, you must pay the social security or railroad retirement tax on the unreported tips.

To figure the amount of social security tax on unreported tips, complete Form 4137 and attach it to your Form 1040. Enter the tax on this line.

To determine the amount of railroad retirement tax on unreported tips, contact your nearest Railroad Retirement Board office. On line 51a, enter the tax and next to it, write "RRTA" in the margin.

Be sure all your tips are included as income on Form 1040, line 8.

Line 51b

Uncollected Employee FICA and RRTA Tax on Tips

If you did not have enough wages to cover the social security tax (FICA) or railroad retirement tax (RRTA) due on tips you reported to your employer, the amount of tax due will be shown on your Form W-2. Enter that amount on line 51b.

Line 52

Tax on an IRA

If you have an IRA (Individual Retirement Arrangement), add any taxes from Form 5329. Enter the total taxes on line 52.

Line 53

Advance Earned Income Credit Payments

Enter the total of the advance earned income credit payments as shown on your Forms W-2. (The amount of earned income credit to which you are actually entitled will be figured on page 2 of these instructions and entered later on line 57.)

Recapture Tax from Recomputing a Prior Year Work Incentive (WIN) Credit

If a WIN employee is dismissed within the first 180 days of employment, the employer may have to repay any tax credit previously taken on salaries and wages paid to that employee. Publication 906, Targeted Jobs and WIN Credits, has additional details.

Include the tax in your total for line 54. On the dotted line next to this total, please write "WIN Tax," and show the amount.

Line 54

Total Tax

Add lines 47 through 53. Include any WIN Recapture Tax. Put the total on line 54.

Payments

Line 55

Total Federal Income Tax Withheld

Add the Federal income tax withheld as shown on your Forms W-2, W-2G, and W-2P. Enter the total on this line.

Line 56

1979 Estimated Tax Payments

Enter on this line any payments you made on your estimated Federal income tax (Form 1040-ES) for 1979. Include any overpayment from your 1978 return that you applied to your 1979 estimated tax.

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, either of you can claim all of the amount paid. Or you can each claim a part of it. Please be sure to show both social security numbers on the separate returns.

If you or your spouse paid separate estimated tax, but you are now filing a joint income tax return, add the amounts you each paid.

Follow the above instructions even if your spouse died.

If you were divorced during 1979, you may have filed a joint declaration of estimated tax with your former spouse. If so, please enter your former spouse's social security number in the block provided on the front of Form 1040. In the upper right corner of the return, above the blocks for the social security numbers, write "DIV."

If you were divorced and remarried in 1979, enter your present spouse's social security number in the block provided on the front of Form 1040. Also, enter your former spouse's social security number in the upper right corner above the blocks and write "DIV" above that number.

Page 14

Line 57

Earned Income Credit

If line 32 is under \$10,000, see the Earned Income Credit Worksheet on page 2 of the instructions. If you can take the credit, enter on line 57 the credit from line 5 or line 6c of this worksheet, whichever applies.

If you want IRS to figure the credit for you, see IRS Will Figure Your Tax and Some of Your Credits on pages 4 and 5.

Line 58

Amount Paid with Form 4868 (Extension of Time to File)

If you filed Form 4868 to get an extension of time to file Form 1040, enter the amount you paid with Form 4868.

Line 59

Excess FICA and RRTA Tax Withheld—Two or More Employers

If you had two or more employers in 1979 who together paid you more than \$22,900 in wages, too much social security tax (FICA) and railroad retirement tax (RRTA) may have been withheld from your wages. If so, you may be able to take credit for it against your income tax.

If you are filing a joint return, you must figure this separately for you and your spouse.

If you are a railroad employee and you take credit, attach a statement from your employer showing the amount of employee RRTA compensation and the amount of RRTA tax withheld.

Please follow the steps below to see if you can take credit.

- Step 1. Add all FICA and RRTA tax withheld (but not more than \$1,403.77 for each employer). * Enter total here.....\$ _____
- Step 2. From Form 1040, line 51b, enter all uncollected FICA or RRTA tax on tips, if any..... _____
- Step 3. Add 1 and 2 above..... _____
- Step 4. Less..... -1,403.77
- Step 5. Subtract 4 from 3. Enter this amount on line 59. \$ _____

*Note: If any one employer withheld more than \$1,403.77, you should ask the employer to refund the excess to you. You cannot take credit for it on your return.

Line 60

Credit for Federal Tax on Special Fuels and Oils

If you can take a credit for tax on gasoline, special fuels, and lubricating oils used in your business, please attach Form 4136 or Form 4136-T. Enter the credit on line 60.

Line 61

Regulated Investment Company Credit

Enter on this line the total amount of the credit from Form 2439. Be sure to attach Copy B of Form 2439.

Refundable Business Energy Investment Credit

You are allowed a refundable credit for investing in certain types of trade or busi-

ness energy property. Use Schedule B (Form 3468) to figure the credit. Include the credit in your total for line 62. On the dotted line next to this total, please write "Refundable Business Energy Credit" and show the amount.

Line 62

Total

Add lines 55 through 61. Include any refundable Business Energy Investment Credit. Enter the total on line 62.

Refund or Balance Due

Line 63

Amount Overpaid (If line 62 is larger than line 54)

Subtract line 54 from line 62. You can choose to have all, or part, of this amount refunded to you (line 64). The remainder, if any, can be applied to your estimated tax for 1980 (line 65). If line 63 is under \$1, we will send you a refund only on written request.

Line 64

Refund

Enter the amount from line 63 that you want refunded to you. If your refund is large, you may want to have less income tax withheld from your pay. See the instructions on page 15 for Income Tax Withholding for 1980.

Line 65

Credit to 1980 Estimated Tax

Subtract line 64 from line 63. This is the amount that will be credited to your estimated tax for 1980. Enter this amount on line 65.

We will apply amounts to your account unless you attach a request to apply it to your spouse's account. The request should include your spouse's social security number.

Line 66

Balance Due (If line 54 is larger than line 62)

Subtract line 62 from line 54. This is the amount you owe. Enter the amount on this line.

Attach your check or money order for the full amount when you file. Make it out to "Internal Revenue Service" and be sure to write your social security number on it. If line 66 is under \$1, you do not have to pay.

In most cases, people who have income tax withheld from their wages will find that the amount withheld will be fairly close to their tax for the year. Sometimes it is not, and this is more likely to happen if both you and your spouse worked.

If you do owe tax for 1979, you may want to increase the amount of income tax withheld from your pay. Otherwise, you may be required to file a Declaration of Estimated Tax on Form 1040-ES. See the instructions on page 15 for Income Tax Withholding for 1980 and Should You File a Declaration of Estimated Tax?

Underpayment of Estimated Tax.

If you underpaid your 1979 estimated tax liability for any payment period, you may owe a penalty. Get Form 2210 (Form 2210F for farmers and fishermen) to see if you meet one of the exceptions. Please attach that form to Form 1040 to show how you figured the penalty or which exceptions you believe you meet.

If you attach Form 2210 or 2210F, be sure you check the box below line 66.

If you owe a penalty, show the amount in the space below line 66.

If you owe tax on line 66, include the penalty amount in with your payment. Or, if you are due a refund, we will subtract the penalty amount from the overpayment you show on line 63. But do not decrease the amount you show on line 63 or increase the amount on line 66 for this penalty.

Now continue with step 6 below

Step 6

Check your return to make sure it is correct.

Step 7

Sign and date your return.

Form 1040 is not considered a return unless you sign it. Your spouse must also sign if it is a joint return.

Step 8

Did you have someone else prepare your return?

If you fill in your own return, the space under your signature should remain blank.

If someone prepares your return and does not charge you, that person should not sign your return. Certain others who prepare your return should not sign. For example, your regular, full-time employee or your partner in business does not have to sign. (This list is not all inclusive.)

Generally, anyone who is paid to prepare your tax return must sign your return and fill in the other blanks in the Paid Preparer's Information area of your return.

When more than one person prepares your return, the preparer with primary responsibility for the overall accuracy of your return must sign as the preparer.

If the preparer is self-employed (that is, is not employed by any person or business entity to prepare the return), he or she should check the "self-employed" box. Partners who prepare income tax returns as members of a partnership are considered to be employees for purposes of the income tax return preparer rules only, and should not check the self-employed box in the preparer's section of Form 1040. The partners are still considered self-employed for self-employment tax purposes.

If you have questions about whether a preparer is required to sign your return, please contact an IRS office.

The person required to sign your return MUST complete the required preparer information and:

• Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)

• Give you a copy of your return in addition to the copy to be filed with IRS.

Tax return preparers should be familiar with their responsibilities. Publication 1045 Information for Preparers of Federal Income Tax Returns, lists some of the preparer's other responsibilities and penalties for which he or she may be liable. The publication also contains the regulation citations which govern their work.

Step 9

Attachments

Attach Copy B of Forms W-2, W-2G, and W-2P to the front of Form 1040. Attach schedules in alphabetical order and other forms in numerical order to the back of Form 1040.

If you need more space on forms or schedules, you should attach separate sheets and use the same arrangement as the printed forms, but show your totals on the printed forms. Please use sheets that are the same size as the forms and schedules. Be sure to put your name and social security number on these separate sheets.

If you owe tax, be sure to attach your payment to the front of Form 1040.

Reminders

Penalties and Interest

a. Interest. Interest will be charged on taxes that are not paid on or before their due date, even if an extension of time file is granted.

b. Late Filing of Return. The law provides a penalty of from 5 percent to 25 percent of the tax due for filing late unless you can show reasonable cause for the delay. If you file a return late, attach a full explanation to your return.

c. Late Payment of Tax. The penalty for not paying tax when due is 1/2 of 1 percent of the unpaid amount for each month or part of a month it remains unpaid. The maximum penalty is 25 percent of the unpaid amount. The penalty applies to any unpaid tax shown on a return. It also applies to any additional tax shown on a bill that is not paid within 10 days after the date of the bill. This penalty is in addition to the applicable interest charge on late payments.

Note: If you include interest or either of these penalties with your payment, identify and enter these amounts in the bottom margin of Form 1040, page 2. Do not include the interest or penalty amounts in Balance Due on line 66.

Income Tax Withholding for 1980

If the amount you overpaid (line 63) or

the balance you owe IRS (line 66) is large, please see your payroll office. Ask about filling out a new Form W-4 to change the amount of income tax to be withheld from your wages. A working married couple may need to increase the amount of tax withheld from one or both of their wages to avoid owing a large payment when filing their return.

If the amount you owe IRS is large, you may have to file a Declaration of Estimated Tax for 1980. See Should You File a Declaration of Estimated Tax, below.

If you go back to work after a period of unemployment, you may reduce the amount of income tax withheld if your employer agrees to use the pay/year method of withholding. There are also other methods which could reduce your withholding.

For more details, see your employer or get Publication 505, Tax Withholding and Estimated Tax.

Should You File a Declaration of Estimated Tax?

In general, you do not have to file a declaration if you expect that your 1980 Form 1040 will show a tax refund, or a tax balance due IRS of less than \$100. If your total estimated tax is \$100 or more, please get Form 1040-ES. You may have to file a declaration of estimated tax.

Address Change

If you move after you file your return and you are expecting a refund, you should notify the post office serving your old address. Also notify the IRS service center where you filed your return of your address change. This will help to forward your check to your new address as soon as possible. Please be sure to include your social security number in any correspondence with the IRS.

How Long Should Records Be Kept?

Keep records of income, deductions, and credits shown on your tax return until the statute of limitations runs out for that return. Usually this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. Also keep copies of your filed tax returns as part of your records. You should keep some records longer. For example, property records (including those on your own home) should be kept as long as they are needed to figure the basis of the original or replacement property. For more details, get Publication 552, Recordkeeping Requirements and a List of Tax Publications.

Amended Return

Use Form 1040X to change an income tax return you have already filed (Form 1040 or Form 1040A).

If your return is changed for any reason, it may affect your State income tax liability. This would include changes made as a result of an examination of your return by the IRS. Contact your State tax agency for more information.

Instructions for Schedule A Itemized Deductions

Purpose

Some taxpayers must itemize their deductions and some should itemize because they will save money. See You MUST Itemize Deductions and You Choose to Itemize on page 12.

If you itemize, you can deduct part of your medical and dental expenses, and amounts you paid for certain taxes, interest, contributions, casualty and theft losses, and other miscellaneous expenses. These are explained below.

If your deductions are more than 50% of the amount on Form 1040, line 31, you may be liable for the alternative minimum tax. See the instructions for line 45b on page 13 for more information.

Lines 1 through 10

Medical and Dental Expenses

Before you can figure your total deduction for medical expenses, you must complete your Form 1040 through line 31.

Only that part of your medical and dental expense that is more than 3% of your adjusted gross income on Form 1040, line 31, is deductible.

However, you may deduct one-half of your medical insurance premiums, up to a maximum of \$150, without reducing that amount by 3 percent of your adjusted gross income. Include amounts you paid for hospital, medical, and extra Medicare (Medicare B) insurance. Show half of your payments, up to \$150, on line 1 and put the balance on line 5. You can deduct the amount on line 1, even if you had no other medical expenses.

Only medicine and drug costs that are more than 1% of Form 1040, line 31, are deductible as medical expenses, subject to the 3% limitation.

Lines 1 through 10 of Schedule A explain how to deduct your medical and dental expenses. When you figure them, you can include medical and dental bills you paid for:

- yourself;
- your spouse;
- all dependents you list on your return; and

• any person that you could have listed as a dependent on your return if that person had not received \$1,000 or more of gross income or had not filed a joint return. For example, you may have contributed more than half of the support for your mother, but you cannot list her as a dependent because she received \$1,000 of gross income during the year. If part of

your support was the payment of medical bills for her, you can include that part in your medical expenses.

You should include all amounts you paid during 1979, but do not include amounts repaid to you, or paid to anyone else, by hospital, health or accident insurance.

Examples of Medical and Dental Payments You CAN Deduct

To the extent you were not reimbursed, you can deduct what you paid for:

- Medicine, drugs, birth control pills, vaccines, and vitamins your doctor told you to take.
- Medical doctors, dentists, eye doctors, gynecologists, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists, and psychoanalysts (medical care only).
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths the doctor ordered.
- Nursing help. If you pay someone to do both nursing and housework, you can deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, lab fees.
- Medical treatment at a center for drug addicts or alcoholics.
- Medical aids such as hearing aids (and betteries), false teeth, eyeglasses, contact lenses, braces, orthopedic shoes, crutches, wheelchairs, guide dogs and the cost of maintaining them.
- Ambulance service and other travel costs to get medical care. If you used your own car, you can figure what you spent for gas and oil to go to and from the place you received medical care, or you can figure costs at 8 cents a mile plus parking fees and tolls.

Examples of Medical and Dental Payments You CANNOT Deduct

Payments you made for the following are not deductible:

- The basic cost of Medicare insurance (Medicare A).
 - Note: If you are 65 or over and not entitled to Social Security benefits, you may deduct premiums you voluntarily paid for Medicare A coverage.
 - Life insurance policies.
 - The 1.05% hospital insurance benefits tax withheld from your pay as part of the social security tax or paid as part of social security self-employment tax.
 - Nursing care for a healthy baby. (You may qualify for the child care credit: see Form 2441.)
 - Illegal operations or drugs.
 - Travel your doctor told you to take for rest or change.
 - Funeral, burial or cremation.
- Publication 502, Medical and Dental Expenses, has a checklist of medical expenses that can be deducted and those that can't. It also explains when you can deduct capital expenditures and special care for handicapped persons.

Lines 11 through 16 Taxes

Taxes You CAN DEDUCT

• State and local income taxes (line 11) List State and local income taxes that were withheld from your salary. Also list estimated payments made under a pay-as-you-go plan. Include payments you made in 1979 on a tax for a prior year.

If you received a refund of (or credit for) prior year taxes in 1979, see the Instructions for Form 1040, line 11. Do not reduce your itemized deductions by this amount.

• Real estate taxes (line 12)

Include taxes that you paid on property you own that was not used for business. Publication 530, Tax Information for Homeowners, and Publication 588, Tax Information on Condominiums and Cooperative Apartments, explain the deductions homeowners can take.

If you pay your real estate taxes as part of your mortgage payments, do not take a deduction for that amount. Deduct the taxes in the year the mortgage company actually paid them to the taxing authority.

- General sales taxes (line 13)

The Optional State Sales Tax Tables show how much you can deduct for your income and family size. You can add to the tax table amount the general sales tax you paid if you bought:

- a. Car, motorcycle, motor home, or truck. (Note: Vermont and West Virginia charge a higher sales tax for these than they do for other items. Figure how much tax you would have paid at the general sales tax rate and add only that amount to the tax table amount.)
- b. A boat, plane, home (including mobile or prefabricated) or materials to build a home if:

The tax rate was the same as the general sales tax rate, and

2. Your sales receipt or contract shows how much tax you paid.

The sales tax tables include income through \$40,000. When you figure your income, count all available income. This includes the amount on Form 1040, line 31, plus all amounts you received that are not taxed. The instructions at the top of each page of the tables give steps to help you figure your deduction.

If you kept records that show you paid more State sales tax than the tables list, you may deduct the larger amount. Include State or local selective sales or excise taxes if the rates were the same as the general sales tax rates.

If your available income was more than \$40,000, see the example below.

Example. Mr. & Mrs. Green live in Virginia and have a family size of 4. Their total available income is \$55,025.

Using the table for Virginia, they find the deduction for their family size (4) with income between \$38,001 and \$40,000. This amount is \$356.

For each \$5,000 or part of \$5,000 in excess of \$40,000, the deduction is increased by the amount on the \$40,001-\$100,000 line for their family size. This amount is \$18. The Greens' available income exceeds \$40,000 by 4 units of \$5,000 (or parts of \$5,000). So, they increase their sales tax deduction by (18x4) = \$72.

Their total sales tax deduction is (\$356 + \$72) = \$428. The Greens then decide if this figure is larger than their receipts show for sales tax actually paid. The Greens enter the larger figure on Schedule A, line 13.

● **Personal property taxes (line 14)**
This tax must be based on value alone. For example, if part of the fee you paid for the registration of your car was based on the car's value and part was based on its weight, you can deduct only the part based on value.

● **Other (line 15)**
If you had any deductible tax not listed on Schedule A, lines 11 through 14 (such as foreign income tax), describe the tax and show the amount on line 15.

If you paid tax to a foreign country or U.S. possession, you may want to list it as a credit instead of a deduction. Please see Publication 514, Foreign Tax Credit for U.S. Citizens and Resident Aliens.

Taxes You CANNOT Deduct
● Federal income tax.
● Social security tax (FICA).
● Railroad retirement tax (RRTA).
● Federal excise tax on personal property, transportation, telephone, and gasoline.
● Customs duties.
● Federal estate and gift taxes.
● Certain State and local taxes, including:

- a. Tax on gasoline.
- b. Car inspection fees.
- c. Tax on liquor, beer, wine, cigarettes, and tobacco.
- d. Assessments for sidewalks or other improvements to your property.
- e. Taxes paid for your business or profession. (Use Schedule C, E, or F of Form 1040 to deduct these business taxes.)
- f. Tax you paid for someone else.
- g. License fees (marriage, driver's, dog, hunting, etc.)

Lines 17 through 20
Interest Expense
You should show on Schedule A interest on nonbusiness items only.

In general, a cash basis taxpayer who in 1979 paid interest that includes amounts that apply to any period after 1979, can deduct only the amount for 1979.

Interest Expense You CAN Deduct
Include the interest you paid on—
● Your home mortgage (line 17).
● Bank and other general purpose credit cards. Deduct the finance charge as interest if no part of it was for service charges,

membership fees, loan fees, credit investigation fees, etc. (line 18).

● **Revolving charge accounts.** Deduct any finance charge a retail store added if the charges are based on your monthly unpaid balance (line 18).
● Your personal note for money you borrowed from a bank, a credit union, or another person.

● **Loans on life insurance** if you paid the interest in cash.

● **Installment contracts on personal property,** such as cars and televisions.
● **Taxes you paid late.** Show only the interest; do not include any amount that is considered a penalty. If the tax is deductible, show it under Taxes (lines 11 through 16 of this schedule).

● **Loans on investment property.** Report the nonbusiness part of interest on these loans on line 19. (If your total investment interest is more than \$10,000 (\$5,000 if married filing a separate return), you may have to complete Form 4952, Investment Interest Expense Deduction, to figure your correct deduction. Also see Publication 550, Investment Income and Expenses, for details.)

Interest Expense You CANNOT Deduct
Do not include the interest you paid for—
1. Tax-exempt income. This includes interest on money you borrowed to buy or carry wholly tax-exempt securities.
2. A loan on life insurance if the interest is added to the loan and you report on the cash basis.

3. A debt to buy a single-premium life insurance or endowment contract.
4. Any kind of business transaction. Use Schedule C, E, or F to report business interest expenses.

For more information, please get Publication 545, Interest Expense.

Lines 21a through 24
Contributions

You can deduct what you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You can also deduct what you gave to organizations that work to prevent cruelty to children or animals.

Examples of these organizations are:

- Churches, temples, synagogues, Salvation Army, Red Cross, CARE, Goodwill Industries, United Way, Boy Scouts, Girl Scouts, Boys Club of America, etc.
- Fraternal orders, if the gifts will be used for the purposes listed above.
- Veterans' groups and certain cultural groups.

● Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have, arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy and tuberculosis.

● Federal, State and local governments if the gifts are exclusively for public purposes.

If you contributed to a charitable organization and also received a benefit from it, you can deduct only the amount that is more than the benefit you received.

If you do not know whether you can deduct what you gave to an organization, check with that organization or an Internal Revenue Service office.

Contributions You CAN Deduct

Contributions can be cash, checks, money orders, property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described above. If you drive to and from the volunteer work, figure your expenses at 5 cents a mile or the actual cost of gas and oil. (But don't deduct any amounts that were repaid to you.)

If you gave property, attach a description of it. Include the date you gave the property, and show how you figured its value. Attach a signed copy of an appraisal for gifts worth more than \$200, and for each gift of capital gain or ordinary income property. Include in the description of each gift:

- a. Any conditions attached to the gift.
- b. How you got the property.
- c. The cost or other basis of the property if:
- 1. you owned it less than 5 years, or
- 2. you must reduce the contribution by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value.

d. How you figured your deduction if you chose to reduce your deduction for contributions of capital gain property.

If you gave used clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale.

In some cases, you can deduct amounts you spent to take care of a student in your home. However, you must have a written agreement with a charitable or educational institution.

Special rules apply if your contributions are more than 20 percent of Form 1040, line 31. If you gave gifts of property that increased in value, made bargain sales to charity, or gave gifts of the use of property, other rules apply.

For additional information, please get Publication 526, Charitable Contributions.

Contributions You CANNOT Deduct

- Political contributions (but see instructions for Form 1040, line 38).
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Cost of raffle, bingo, or lottery tickets.
- Tuition to a private school.
- The value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in tangible personal property (generally, until the entire interest has been transferred).
- Gifts to:
 - a. Individuals.
 - b. Foreign organizations.

- c. Groups that are run for personal profit.
- d. Groups whose purpose is to lobby for changes in the laws.
- e. Civic leagues, social and sports clubs, labor unions, and chambers of commerce.

Lines 25 through 29
Casualty and Theft Losses

Use these lines to report casualty or theft losses of property that is not trade, business, rental or royalty property. Use the following worksheet if you had only one casualty or theft during the tax year and only one item was lost or damaged.

1. Cost or other basis	_____
2. Fair Market Value of property before casualty or theft	_____
3. Fair Market Value of property after casualty or theft	_____
4. Subtract line 3 from line 2	_____
5. Enter line 1 or line 4, whichever is smaller. Also enter on Schedule A, line 25	_____

Use Form 4684 in the following cases:

- you had more than one casualty or theft during the tax year, or
- you had more than one item lost or damaged by casualty or theft, or
- you had a gain from casualty or theft, or
- your casualty or theft involved trade, business, rental or royalty property.

Losses You CANNOT Deduct

- Money or property you misplaced or lost.
- Breakage of china, glassware, furniture, and similar items under normal conditions.
- Damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease.

Losses You CAN Deduct

You may be able to deduct all or part of each loss caused by theft, vandalism, fire, storm, and car, boat and other accidents or similar causes.

How to Deduct These Losses

On line 25, enter the amount from line 5 of the worksheet.

On line 26, fill in the amount paid by insurance or other sources.

Next, subtract line 26 from line 25, and enter the difference on line 27. If the amount is \$100 or less, you cannot deduct the casualty or theft loss.

On line 28, enter \$100 or the amount on line 27, whichever is smaller.

To figure your casualty or theft loss, subtract line 28 from line 27. Enter the result on line 29.

Use line 31 of Schedule A to deduct the costs of proving that you had a property loss. (Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.)

For more details, get Publication 547, Tax Information on Disasters, Casualty Losses, and Thefts. It also gives information about Federal disaster area losses.

Lines 30 through 32
Miscellaneous Deductions

Miscellaneous Expenses You CAN Deduct
Business Use of Home. You can deduct expenses for business use of part of your home only if that part is used exclusively and continuously in connection with your work and for the convenience of your employer.

Publication 587, Business Use of Your Home, will give you detailed information.

Educational Expenses. Generally, you can deduct what you paid for education required by your employer, or by law or regulations, to keep your present salary or job. In most cases, you can also deduct the cost of maintaining or improving skills you must have in your present position.

Some educational expenses cannot be deducted. Among them are expenses for study that helps you meet minimum requirements for your job, or qualifies you to get a new job. Also, do not deduct expenses that were repaid to you.

For more details, see Publication 508, Educational Expenses.

Gambling Losses. You can deduct gambling losses, but not more than the gambling winnings you reported on Form 1040, line 21.

Employee Expenses. Examples of the expenses you can deduct (if you were not reimbursed for them) are:

- Union dues (line 30).
- Safety equipment, small tools, and supplies you needed for your job.
- Uniforms your employer said you must have, and which you cannot usually wear away from work.
- Protective clothing, such as hard hats and safety shoes.
- Physical examinations your employer said you must have.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to get a new job in your present trade or profession.

Expenses of Producing Income. You can deduct what you paid to produce or collect taxable income, or to manage or protect property held for producing income.

Examples of these expenses are:

- Safe deposit box rental.
- Certain legal and accounting fees, including amounts you paid in 1979 to have tax returns prepared.
- Clerical help.
- Office rent.
- Custodial (e.g. trust accounts) fees.

Miscellaneous Expenses You CANNOT Deduct

Examples of expenses you cannot deduct are:

- Political contributions (but see instructions for Form 1040, line 38).
- Legal fees for personal matters.
- Lost or misplaced cash or property.
- Expenses for meals during regular or extra work hours.

- The cost of entertaining friends.
- Expenses of going to or from work.
- Education that you need to meet minimum requirements for your job or that will qualify you for a new occupation.
- Fines and penalties.
- Expenses of producing tax-exempt income.

For more information on, see Publication 529, Miscellaneous Deductions.

Lines 33 through 40
Summary of Itemized Deductions

If you have not already entered the totals from each group of deductions on lines 33 through 38, do so now. Add lines 33 through 38, and enter the total on line 39. Enter the amount for your filing status on line 40.

Line 41

If line 39 is more than line 40, subtract line 40 from line 39 and enter the difference on Schedule A, line 41, and on Form 1040, line 33.

Note: You will receive the full benefit of your itemized deductions because the zero bracket amount you entered on line 40 has been built into the tax tables and tax rate schedules for you.

If line 40 is more than line 39, enter zero on Schedule A, line 41, and on Form 1040, line 33, unless you are required to itemize deductions (see page 12 for you MUST itemize Deductions). If you MUST itemize deductions, enter TC on line 41 and complete Schedule TC, Part II.

Instructions for Schedule B Interest and Dividend Income

Purpose

Use Schedule B to list interest and dividend income. Part III of the schedule asks you to answer questions about foreign accounts and trusts. You must use Schedule B if you:

- Had more than \$400 in interest.
- Had more than \$400 in dividends.
- Had a foreign account, or
- Were a grantor of, or transferor to, a foreign trust.

Please follow the instructions below.

Part I Interest Income

To see what interest income you must report, read the instructions for Form 1040, line 9, on page 9. The payer will usually send you a Form 1099-INT or similar statement showing interest you

must report. If the total interest is over \$400, fill in Part I AND Part III of this schedule.

Line 1

Report all interest that you received or that was credited to your account so you could withdraw it. On this line list the name of each payer. Next to each name, show the amount of income.

Line 2

Add up all the interest and enter it on this line except as noted below in Nominees and Accrued Interest. Also enter it on Form 1040, line 9.

Nominee and Accrued Interest. When you buy bonds between interest payment dates and you pay accrued interest to the seller, this amount is taxable interest to the seller.

List on line 1 all interest received, including interest you received as a nominee or as a purchaser of a bond with accrued interest. Several lines above line 2, enter a subtotal of all interest income listed on line 1. Below this subtotal, write "Nominee Distribution" or "Accrued Interest" as appropriate and enter the interest amounts you paid to others. Subtract these amounts from the subtotal, and enter the result on line 2.

Part II

Dividend Income

To see what dividend income you must report, read the instructions for Form 1040, line 10a, on page 9.

The payer will usually send you a Form 1099-DIV or similar statement showing dividends you must report. If the total dividends are over \$400, fill in Part II AND Part III of this schedule.

Line 3

Report all of your dividend income on this line. Include cash and the value of stock, property, or merchandise you received as a dividend.

List the name of each payer. Next to each name, show the amount of income. Be sure to include capital gain and nontaxable distributions on this line. They will be deducted on lines 5 and 6.

Line 4

Add the amounts you listed on line 3 except as noted below in Nominees. Enter the total on this line.

Line 5

If you listed any capital gain distributions on line 3, add those amounts. Enter the total on this line.

Line 6

Enter the total of your nontaxable distributions on this line.

Line 7

Add lines 5 and 6. Enter the total on this line.

Line 8

Subtract line 7 from line 4. Enter on line 8 and on Form 1040, line 10a. (Be sure to take your exclusion on line 10b.)

Nominees. List on line 3 all dividends you received, including dividends you received as a nominee, even if you later distributed some or all of this income to others. Several lines above line 4, enter a subtotal of all dividend income listed on line 3. Below this subtotal write "Nominee Distributions" and enter the amounts distributed. Subtract these distributions from the subtotal and enter the result on line 4.

Part III

Foreign Financial Accounts and Foreign Trusts

Fill in this part if you completed Part I or Part II, if you had a foreign account, or if you were the grantor of, or transferor to, a foreign trust.

Question A. Check the Yes box if either 1 or 2 below applies to you.

1. At any time during the year you had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country. Exception: Check No if any of the following apply to you.

- The combined value of the accounts was \$1,000 or less during the whole year.
- The accounts were with a U.S. military banking facility operated by a U.S. financial institution.

• You are an officer or employee of a commercial bank that is supervised by the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation; the account is in your employer's name; AND you do not have a personal financial interest in the account.

• You are an officer or employee of a domestic corporation with securities listed on national securities exchanges or with assets of more than \$1 million and 500 or more shareholders of record; the account is in your employer's name; you do not have a personal financial interest in the account; and the chief financial officer of the corporation has given you written notice that the corporation has filed a current report that includes the account.

2. You own more than 50% of the stock in any corporation that owns one or more foreign bank accounts.

Get Form 90-22.1 to see if you are considered to have an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.

If you checked Yes for Question A, file Form 90-22.1 by June 30, 1990, with the Department of the Treasury at the address shown on the form. Form 90-22.1 is not a tax return, so do not file it with the IRS. But be sure to file your Form 1040 with the IRS.

You can get Form 90-22.1 from many IRS offices or by writing to the IRS forms distribution center for your State, as shown on the inside back cover. **Question B.** Check the Yes box if you were a grantor of or a transferor to a foreign trust that existed during the tax year.

Instructions for Schedule D Capital Gains and Losses

Purpose

Use Schedule D (Form 1040) to report the sale or exchange of a capital asset. See the definition of "capital asset" below.

In certain cases you may have to use Form 4797, Supplemental Schedule of Gains and Losses, instead of Schedule D. Use Form 4797 to report any of the following:

- The sale, exchange, or involuntary conversion (such as casualty or theft) of business property, certain depreciable and amortizable property, and certain oil and gas property.
- The involuntary conversion (such as casualty or theft) of certain capital assets.
- The disposition of other noncapital assets not mentioned above.

If a capital asset is involuntarily converted because of a casualty or theft, you may use Form 4684, Casualties and Thefts, instead of Form 4797, Part I, Section A.

Capital Asset

Most property you own and use for personal purposes, pleasure, or investment is a capital asset. For example, your house, furniture, car, and stocks and bonds are capital assets.

A transfer of patent rights is generally considered a sale or exchange of a capital asset held for more than one year.

A nonbusiness bad debt must be treated as a short-term capital loss. A capital asset as defined by law is any piece of property held by a taxpayer except the following:

- Stock in trade or other property included in inventory or held for sale to customers.
- Accounts or notes receivable you received for services in the ordinary course of your trade or business or from the sale of any property described in (a) or for services you performed as an employee.
- Depreciable property used in your trade or business even if it was fully depreciated.
- Real property (real estate) used in your trade or business.
- A copyright; literary, musical or artistic composition, letter, memorandum, or similar property

1. created by your personal efforts, or
2. prepared or produced for you (in the case of a letter, memorandum, or similar property), or
3. that you received from a taxpayer mentioned in 1, or 2, in a way (such as by gift) that entitled you to the basis of the previous owner.

f. U.S. Government publications (including the Congressional Record) that you received from the government other than by purchase at the normal sales price, or that you got from another taxpayer who had received it in a similar way if your basis is determined by reference to the previous owner.

g. Certain government obligations issued at a discount on or after March 1, 1941.

payable without interest, and maturing at a fixed date not more than one year from the date of issue.

Short-Term or Long-Term

When you list your capital gains and losses, separate them according to how long you held or owned the property. The holding period for long-term capital gains and losses is more than one year. For commodities futures contracts (but not options on futures contracts) the holding period for long-term gains and losses is more than 6 months.

To figure the holding period, when you figure the length of the period you held property, begin counting on the day after you got the property and include the day you disposed of it.

For rules on nontaxable exchanges, gifts of property, and inherited property, please see Publication 544, Sales and Other Dispositions of Assets.

Limits on Capital Losses

The limit on capital losses that can be used to offset other income is \$3,000. If you are married and filing separately, the limit is \$1,500.

Losses That Are Not Deductible

Do not deduct a loss from the sale or exchange of property directly or indirectly between any of the following:

- Members of a family.
- A corporation and an individual or a fiduciary owning more than 50 percent of the corporation's stock (not counting liquidations).
- A grantor and a fiduciary of a trust.
- A fiduciary and a beneficiary of the same trust.
- A fiduciary and a fiduciary or beneficiary of another trust created by the same grantor.
- An individual and a tax-exempt organization controlled by the individual or the individual's family.
- A partnership and a partner owning, directly or indirectly, more than 50 percent of the capital interest, or profits interest in the partnership (other than a sale or exchange of an interest in the partnership).

Items for Special Treatment and Special Cases

The following items may require special treatment:

- Transactions by a securities dealer.
- Wash sales of stock or securities.
- Bonds and other evidence of indebtedness if an original issue discount is a factor.
- Certain real estate subdivided for sale which may be considered a capital asset.
- Distributions received from an employee pension, profit-sharing, or stock bonus plan. (Please see Form 4972, Special 10-Year Averaging Method, or Form 5544, Multiple Recipient Special 10-Year Averaging Method.)
- Gain on the sale of depreciable property between husband and wife or between shareholder and a controlled corporation treated as ordinary gain.
- Gain on disposition of stock in a domestic international sales corporation.
- Gain or loss on options to buy or sell, including closing transactions.
- Transfer of property to a foreign

corporation as paid-in surplus or as a contribution to capital, or to a foreign trust or partnership.

• Transfer of property to a partnership which would be treated as an investment company if the partnership were incorporated.

• If you dispose of an asset used in an activity to which the "at risk" rules apply (see section 465 of the Code), combine the gain or loss on the disposition with the profit or loss from the activity. If you have a net loss, you may be subject to the "at risk" provisions.

Two publications you should find useful are Publication 544, Sales and Other Dispositions of Assets, and Publication 550, Investment Income and Expenses.

Transfer of Appreciated Property to a Political Organization

If you transfer property to a political organization when the fair market value of the property is more than your adjusted basis, treat the transaction as a property sale on the transfer date. Report the fair market value of the property at the time of the transfer as the sales price. Ordinary income or capital gains provisions apply as if a sale took place.

Exchange of Like Kind Property

When business or investment property is exchanged for property of a like kind, no gain or loss is recognized. However, you must report the transaction on Schedule D or Form 4797, whichever applies.

Sale or Exchange (Other Than by Casualty or Theft) of Capital Assets Held for Personal Use

This type of gain is a capital gain. Report it on Schedule D, Part I or Part II. Loss from the sale or exchange of this property is not deductible.

Small Business Stock

Subject to limitations, you may deduct the loss on the sale, exchange, or worthlessness of Small Business (section 1244) stock as an ordinary loss on Form 4797. However, gains are reported as capital gains on Schedule D (Form 1040).

Disposition of Partnership Interest

A sale or other disposition of interest in a partnership may result in ordinary income. Please see Publication 541, Tax Information on Partnerships and Publication 544, Sales and Other Dispositions of Assets.

Long-term Capital Gains from Regulated Investment Companies

Include in income as a long-term capital gain the amount(s) shown on Form 2439 that represents your share of the undistributed capital gains of a regulated investment company. Enter the tax paid by the company as shown on Form 2439 on Form 1040, line 61. Add to the basis of your stock, the excess of the amount included in income over the credit.

Sale of Personal Residence

Report a taxable gain from the sale of a personal residence on Schedule D (Form 1040). A loss from such sale is not deductible.

Use Form 2119, Sale or Exchange of

Personal Residence, to report the sale of your personal residence if:
a. within 18 months before or after the sale, you purchase another principal residence and use it as such; or
b. before the sale or within 18 months after the sale, you begin construction of a new principal residence and use it as such within 18 months before and 2 years after the sale.

Also use Form 2119, if you sold or exchanged your residence, were 55 or over before the date of sale or exchange, and elect to exclude gain. If you are thinking of replacing your residence but have not done so, see Publication 523, Tax Information on Selling or Buying Your Home.

Installment Sales

You may be able to use the installment method to report gain on personal property or real property you sold. For the sale to qualify as an installment sale, there must be one or more payments in each of two or more tax years.

If you elect the installment method, attach a computation titled "Installment Sale Computation."

For more information please get Publication 537, Installment and Deferred-Payment Sales.

Investment Interest Expense Deduction Adjustment

These instructions apply only if there is an entry on Form 4952, Investment Interest Expense Deduction, line 22; and Schedule D, lines 20 and 21 (or Form 4798, lines 8 and 9) both show a gain.

If so, part or all of Form 4952, line 22 will be treated as ordinary income.

The amount treated as ordinary income is the smallest of:

- the amount on Form 4952, line 22; or
- the amount on Schedule D, line 20 (or Form 4798, Part I, line 8), or
- the amount on Schedule D, line 21 (or Form 4798, Part I, line 9).

Enter this amount in the margin to the right of Schedule D, line 20 (or Form 4798, Part I, line 8). Identify by writing next to it: "From Form 4952." Subtract the ordinary income from the gains on Schedule D, lines 20 and 21 (or Form 4798, Part I, lines 8 and 9). In addition, enter the ordinary gain on Form 4797, Supplemental Schedule of Gains and Losses, Part II, line 10. If you do not use Form 4797 for other transactions, enter it on Form 1040, line 16, and identify it in the margin as "From Form 4952."

Specific Instructions

Column d

Sales Price Less Expense of Sale

Enter in this column the selling price of the property sold. Reduce this by any expense of sale such as broker's fee, commission, etc.

Column e

Cost or Other Basis, as Adjusted
In general, the cost or adjusted basis is the cost of the property plus improvements and minus depreciation, amortization,

and depletion. If you inherited the property or got it as a gift, tax-free exchange, involuntary conversion, or "wash sale" of stock, you may not be able to use the actual cost as the basis. If you do not use cash cost, please attach an explanation of your basis.

When selling stock, adjust your basis by subtracting all the nontaxable distributions you received before the sale. This includes nontaxable dividends from utility company stock and mutual funds. Also adjust your basis for any stock splits.

The basis of property acquired by gifts made before January 1, 1977, generally is the basis of the property in the hands of the donor plus any gift taxes paid on the gift. For gifts made after December 31, 1976, only the gift tax on the appreciation in value at the time of the gift is added to the basis of the property in the hands of the donor.

The basis of property acquired from a decedent is generally the fair market value at the date of death.

If a charitable contribution deduction is allowed because of a sale of property to a charitable organization, the adjusted basis for determining gain is the adjusted basis amount which has the same ratio to the adjusted basis as the amount realized has to the fair market value.

Line 5

Short-Term Capital Loss Carryover From Years Beginning After 1969

Enter the amount from your 1978 Schedule D (Form 1040), line 41 or 1978 Form 4798, Part II, line 14.

Lines 7 and 19

If the information you receive from the entity shows one amount for net gain or (loss) for the year and a different amount for net gain or (loss) after 10/31/78, you must make a side calculation to figure your net short or long-term gain or (loss) from transactions before 11/1/78. For more information, see Publication 544.

See Schedule(s) K-1 or other information supplied to you from the entity. If you have a net gain that would be reported in line 7 or 19, and have an entry on line 5 or 17, the following instruction applies to you:

- Separate your short-term capital loss carryover from transactions before 11/1/78 and from transactions after 10/31/78.

- Reduce line 7 by your short-term capital loss carryover from transactions before 11/1/78. If the result is less than zero, enter a negative amount in brackets. Also reduce line 5 by this carryover.

- Separate your long-term capital loss carryover from transactions before 11/1/78 and from transactions after 10/31/78.

- Reduce line 19 by your long-term capital loss carryover from transactions before 11/1/78. If the result is less than zero, enter a negative amount in brackets. Also reduce line 17 by this carryover.

Line 17

Long-Term Capital Loss Carryover From Years Beginning After 1969

Enter the amount from your 1978 Schedule D (Form 1040), line 47 or 1978 Form 4798, Part II, line 26.

Note: If you used Form 4798 in 1978 and had an entry in Part II, lines 17 or 23, use Form 4798 in 1979 instead of completing Schedule D, Parts III or V.

Line 23b (iii)

(or Form 4798, line 30c)

Taxable Income, as Adjusted

Figure your taxable income, as adjusted with a separate calculation. Do this in the following way:

a. Figure the amount from Form 1040, line 34, without regard to gains and losses from sales or exchanges of capital assets.

b. Subtract from the amount in a, one of the following:

1. \$2,300 if you are filing as single or head of household.
2. \$3,400 if you are married and filing jointly or if you are a qualifying widow(er) with a dependent child.
3. \$1,700 if you are married and filing separately.

Part IV

Complete this part if lines 20 and 21 show a gain and there is a net gain on line 7 or line 19. Use this part whether or not you have pre-1970 capital loss carryovers to 1979.

Instructions for

Schedule E

Supplemental Income

Purpose

Use Schedule E to report income (or loss) from pensions and annuities, rents and royalties, partnerships, estates and trusts, and small business corporations.

Part I

Pension and Annuity Income

Note: For more information about pension and annuity income, see Publication 575, Pension and Annuity Income.

Generally, you must use Schedule E to report pension and annuity income if the amount of that income which you received in 1979 is not fully taxable. There are three methods of reporting your pension or annuity income.

Method 1

The pension or annuity payments you receive are fully taxable if:

- You did not make any contributions (including contributions withheld from your salary) to your pension or annuity, or
- You got back your entire contribution before 1979.

Report the total amount of income on Form 1040, line 17. You do not have to report this pension or annuity income on Schedule E.

Method 2

The pension or annuity payments you received may not be taxable until a later year if:

- a. Both you and your employer contributed, and

b. You will get back the full amount you contributed in 3 years or less beginning on the date you receive the first pension or annuity payment.

The pension or annuity payments you receive become taxable only when they add up to more than the amount you contributed.

After you get back the amount you contributed, all payments you receive are taxable. The amount you contributed includes contributions you made and any contributions your employer made and that you reported as income.

The amount you contributed does not include interest earned on your contributions to the pension or annuity, unless you reported the interest as income.

Example: While working, you contributed \$4,925 to your pension. Your employer's contribution to the pension was not included in your income. You retired in 1979 and began receiving \$200 a month from the pension. Since the amount you can expect to receive during the first 3 years (36 months \times \$200 = \$7,200) is equal to or more than your contribution (\$4,925), you can exclude your pension until the payments total \$4,925. After that, they are fully taxable and should be reported on Form 1040, line 17.

Method 3

Use special rules to report your pension or annuity income if Methods 1 and 2 do not apply. For more information, see Publication 575.

Beneficiaries

If you receive pension and annuity payments as a beneficiary, you may have to report the income using Method 2 or Method 3. For example, if an employee dies before receiving any payments, Method 2 may apply to his or her beneficiary. For more information, please see Publication 575.

Total Distributions from Profit-Sharing, Retirement Plans and Individual Retirement Arrangements (Form 1099R)

Note: Use Schedule E to report a "rollover" of a profit-sharing or retirement plan distribution into an individual retirement arrangement (IRA) or other profit-sharing or retirement plan. Enter the amount of the distribution on line 2 and the amount of the rollover on line 3.

Generally, if you received a lump-sum distribution from a profit-sharing or retirement plan, you should not use Schedule E. Instead, report the capital gain part on Schedule D (Form 1040). Report the ordinary income part on Form 1040. Your lump-sum distribution is on Form 1099R, Statement for Recipients of Total Distributions from Profit-Sharing, Retirement Plans and Individual Retirement Arrangements. You may pay less tax on this distribution if you are eligible to use the special averaging method. For details, please see Form 4972, Special 10-Year Averaging Method, or Form 5544, Multiple Recipient Special 10-Year Averaging Method, and separate instructions. For more information, please see Publication 575.

You may be able to "roll over" your distribution into an individual retirement arrangement (IRA) tax free. For more information, please see Publication 590, Tax Information on Individual Retirement Arrangements.

Death Benefit Exclusion

You may be entitled to a death benefit exclusion of up to \$5,000 if either of the following applies:

- a. You are the beneficiary of a decedent who received no retirement pension or annuity payments, or
- b. You are the beneficiary of a decedent who received disability income payments that were not reported as pension or annuity income.

Note: If death benefits are paid as a pension or annuity, the death benefit exclusion may be added to the consideration paid for the pension or annuity. If so, you may not be eligible to use Method 2 to figure the amount of income to report.

For more information, please see Publication 575.

Disability Pension and Annuity Payments

Your disability payments may not be taxable if you meet certain tests about your age, date of retirement, whether you are permanently and totally disabled, etc. DO NOT use Schedule E to report your disability payments if:

- You are using Form 2440, or
- Your disability payments are fully taxable.

For more information about disability payments, please get Form 2440, Disability Income Exclusion, and Publication 522, Disability Payments.

Use Schedule E to report your disability payments if you are reporting them as a regular pension or annuity which is not fully taxable.

Specific Instructions

Note: If you are reporting income from more than one pension or annuity using Method 2 or 3, attach a separate sheet to Schedule E listing the information required by lines 1 through 4. Enter the combined total of the taxable parts on Schedule E, line 4.

Line 1a

Check Yes or No. If you checked No, skip to line 2. If you checked Yes, go to line 1b.

Line 1b

Check Yes or No. If you checked No, skip to line 2. If you checked Yes, go to line 1c.

Line 1c

Enter the total amount you contributed to your pension or annuity on this line.

Line 1d

If you first started receiving pension or annuity payments in 1979, enter zero. If you started receiving payments before 1979, add together all amounts you received from the pension or annuity before 1979. Enter the total on this line.

Line 2

Enter the total payments you received in 1979.

Line 3

On this line enter the amount you do not have to report as income. This includes amounts you contributed and any amounts your employer contributed and which you reported as income.

Line 4

Subtract line 3 from line 2. Enter the result on this line. If you will not use Parts II and III of Schedule E (Form 1040), enter this amount on line 18. Also, enter this amount on Form 1040, line 18.

"At Risk" Rules

Generally, the special "at risk" rules of section 465 of the Internal Revenue Code apply to all activities except real estate (other than mineral property). The "at risk" rules may apply to a member of a partnership or joint venture; shareholder in a small business corporation; beneficiary of an estate or trust; or lessor of certain property (other than real estate). The "at risk" rules only apply if you have a loss from an activity carried on as a trade or business or for the production of income. Generally, the amount you have "at risk" limits the loss you can deduct for any tax year.

You are generally considered "at risk" for an activity for the cash and the adjusted basis of other property you contributed to the activity, and any amounts borrowed for use in the activity for which you are personally liable.

Your "at risk" amount does not include the proceeds from your share of any recourse loan used to finance the activity or the acquisition of property used in the activity. However, you are "at risk" to the extent of the net fair market value of your own property (not used in the activity) which secures borrowed amounts for which you are not liable. You are not "at risk" for borrowed amounts from a person who is related to you under section 267(b), or any amount that is protected against loss by a guarantee, stop-loss agreement, or similar arrangement.

If you have amounts not "at risk" for an activity and you share in the loss for that activity, you must figure the allowable loss to report on Schedule E. Partners, beneficiaries, and shareholders should get a separate statement of income, expenses, deductions, and credits for each activity.

If you sell or otherwise dispose of an asset used in, or your interest in (either total or partial) an activity to which the "at risk" rules apply (see section 465 of the Internal Revenue Code), combine the gain or loss on the sale or disposition with the profit or loss from the activity to determine your net profit or loss from the activity. If you have a net loss, it may be limited because of the "at risk" rules.

- Part I—Enter in column (f) the loss from the activity or the amount "at risk" for the activity, whichever is smaller.
- If your "at risk" amount is smaller than zero, enter zero.
- Part III—Enter in column (c) the loss from the activity or the amount "at risk" for the activity, whichever is smaller. If your "at risk" amount is smaller than zero, enter zero.

Any loss from an activity not allowed for the tax year is treated as a deduction allocable to the activity in the next tax year.

Part II

Rent and Royalty Income or Loss

Generally, you should use this part to report rents from property you own or control. This includes room and other space rentals. However, if you provided services to the renter or if your business was selling real estate, report the income on Schedule C.

If you use Part II to report rent or royalty income, fill out the appropriate parts on page 2.

Your share of any loss from an activity (other than real estate) for the tax year may be allowed only for the total amount that you are "at risk" for the activity at the close of the tax year.

Rent

If you were not in the real estate sales business and you received rent from property you own or control, report it in column (b). If you received property, instead of money, as rent, report its fair market value.

You can deduct an expense for the depreciation of rental property. You can also deduct all normal expenses, such as taxes, interest, repairs, insurance, maintenance, and agent's commissions. If your deduction for interest is more than \$10,000, see Form 4952, Investment Interest Expense Deduction.

Do not deduct the value of your own labor. Do not deduct capital investments or improvements; instead add these to the basis of the property for depreciation. Example: A landlord can deduct the cost of minor repairs, but not the cost of major improvements, such as a new roof.

Did You Rent Out Part of Your Home?
If you rent out only part of your property, deduct the part of your expenses that apply to the rented part. If you do not know the exact amount of these expenses, figure out what share of the total expenses applied to the rented part. Example: You rent out one-quarter of your home and live in the other part. Deduct depreciation on only one-quarter of the home. Deduct any other expenses that apply to the rented part.

Did You Rent Out a Vacation Home (Or Other Dwelling Unit)?

Generally, you may deduct only those expenses which apply to the time that the vacation home (or other dwelling unit) is rented out. Also, if you or your family used the property as a residence, certain expenses cannot be more than the gross rental income. Only interest, taxes, and casualty losses do not have to be limited. Generally, a vacation home (or other dwelling unit) is used as a residence if you or your family used it for personal purposes for more than the larger of:

- a. 14 days, or
- b. 10% of the number of days during 1979 that the property was actually rented out at a fair rental.

If you used the property as a residence and rented it out for less than 15 days, you may not deduct any rental expenses. If you itemized your deductions, you may deduct any interest, taxes, and casualty losses on Schedule A (Form 1040). You do not have to report the rental income.

Your family includes only your brothers, sisters, half brothers, half sisters, spouse, ancestors, and lineal descendants. Dwelling units include houses, apartments, condominiums, mobile homes, and boats, or similar property. For information on how to figure deductible expenses, see Publication 530, Tax Information for Homeowners.

Rental Income From Farm Production or Crop Shares

Report farm rental income and expenses on Form 4835, Farm Rental Income and Expenses and Summary of Gross Income From Farming or Fishing, if you meet these two tests:

a. You received rental income that was based on crops or livestock produced by the tenant.

b. You did not manage or operate the farm to any great extent.

Note: For estimated tax penalty rules, income received from your share of crops and rental based on farm production is considered income from farming.

Report your crop shares only for the year in which they were sold or exchanged for merchandise or property. If you use Form 4835, report the appropriate amounts on line 7.

Royalties

Enter in column (c) royalties from oil, gas or mineral properties, copyrights, and patents. If you hold an operating oil, gas, or mineral interest, report gross income and expenses in Schedule C. Under certain circumstances, you can treat amounts received as "royalties" for transfer of a patent or amounts received on the disposal of coal and iron ore as the sale of a capital asset. For more information, please get Publication 544, Sales and Other Dispositions of Assets.

If State or local taxes were withheld from oil or gas payments you received, report in column (c) the gross amount of royalty, and include the taxes withheld by the producer in column (e).

Specific Instructions

Line 6a

You may elect to amortize rehabilitation expenditures or take accelerated depreciation for certain certified historic structures. Section 191 allows amortization to be figured using a period of 60 months. Section 167(o) allows an accelerated method of depreciation if you substantially rehabilitate a certified historic structure.

If you elect amortization for these expenditures or elect to take an accelerated method of depreciation:

1. answer "Yes" on this line.
2. attach to the return a copy of the final certification letter issued by the Department of the Interior approving the rehabilitation or, if no such letter has been issued,

3. attach to the return a copy of a completed first page of U.S. Department of the Interior Form FHR-253a, Historic Preservation Certification Application—Part 2 (as submitted to the Department of the Interior).

Line 6b

Include on this line the amortizable basis of the property. This is the amount that is permitted to be deducted over the 60 month period.

Part III

Income or Losses from Partnerships, Estates or Trusts, Small Business Corporations

Partnerships

If you are a member of a partnership or joint venture, include in this part your share of the partnership income (whether you received it or not) or net loss for the partnership tax year that ends during the year covered by your return.

For more information to fill out this part, please see copy B of Schedule K-1 (Form 1065), Partner's Share of Income, Credits, Deductions, etc.

Part or all of your share of partnership income or loss from the operation of the business may be considered net earnings from self-employment that must be reported on Schedule SE. For more information, please get Publication 541, Tax Information on Partnerships.

Your share of any loss from an activity for the tax year may be allowed only for the total amount that you are "at risk" for the activity at the close of the tax year.

Estates and Trusts

If you are a beneficiary of an estate or trust, you should report your taxable part of the income (whether you received it or not) as follows:

- Dividends from qualifying domestic corporations—enter on Schedule B (Form 1040), Part II, line 3. If total dividends received from all sources are \$400 or less, enter the total on Form 1040, line 10a and do not list them on Schedule B.
- Short-term capital gains—Schedule D.
- Long-term capital gains—Schedule D.
- Other taxable income less deductions—Schedule E, Part III.

For more information on these items, please contact the fiduciary or see Schedule K-1 (Form 1041).

Include your share of tax preference items on Form 4625, Computation of Minimum Tax—Individuals.

Your share of any loss from an activity for the tax year may be allowed only for the total amount that you are "at risk" for the activity at the close of the tax year.

A U.S. person who transferred property to a foreign trust may have to include the income resulting from it in his or her income if, during 1979, the trust had a U.S. beneficiary. For more information, see Form 3520-A, Annual Return of Foreign Trust With U.S. Beneficiaries.

Small Business Corporations

If you are a shareholder in a small business corporation that elected to have its current taxable income taxed to its stockholders, you should report:

- Actual dividend distributions (whether taxable as ordinary income or long-term capital gain) as dividend income in Schedule B (Form 1040), Part II, line 3.
- Subtract from the actual dividend distribution the non-dividend (distribution of previously taxed income) part on Schedule B, Part II, line 6 and the long-term capital gain on Schedule B, Part II, line 5. Also include the long-term capital gain part on Schedule D.

- Constructive dividends reported to you on Schedule K-1 (Form 1120S) taxable as ordinary income or (loss), in Schedule E, Part III.

- Constructive dividends reported to you on Schedule K-1 (Form 1120S) taxable as long-term capital gain on Schedule D.

If you are a shareholder claiming a deduction for a net operating loss, please attach to your return a computation of the adjusted basis of your stock in the corporation and the adjusted basis of any debt the corporation owes you. Your net operating loss deduction is limited to that amount.

Your share of any loss from an activity for the tax year may be allowed only for the total amount that you are "at risk" for the activity at the close of the tax year.

Depreciation

You can deduct a reasonable allowance for wear and tear of business and investment property. The allowance does not apply to stock in trade, inventories, land, and personal assets. Please get Form 4562, Depreciation, or Publication 534, Depreciation, for methods, limits, and special rules.

Note: Your total additional first-year depreciation deduction from all sources is limited to \$2,000 (\$4,000 if filing jointly).

Part IV

Specific Instructions

Line 19

Enter on this line your share of:

- partnership gross income, and
- fiduciary taxable income, and
- gross farm rents as shown on Form 4835, from farming or fishing.

You will not be charged a penalty for underpayment of estimated tax if you meet the following tests:

- your gross farming or fishing income for 1979 or 1978 is at least two-thirds of your gross income, and
- you file your 1979 tax return and pay the tax due on or before March 3, 1980.

Instructions for Schedules R and RP Credit for the Elderly

Purpose

Some elderly people can pay less tax by using a tax credit. To do this, they must file one of two schedules (R or RP). Your credit cannot be more than your tax (on line 37, Form 1040). The credit is available no matter how long you worked. The amount of the credit is based on your filing status and age, and, if you are married, on your spouse's age. Which schedule you use depends on your age and the kind of income you had.

Schedule R is for people who are 65 or over. However, if you are married filing a joint return and either you or your spouse is under 65 with income from a public retirement system, you may elect to use Schedule RP. The election is made by filing Schedule RP with your return.

Schedule RP is for people under 65 who were employees of Federal, State, or local governments, and who had income from a public retirement system.

Examples of these retired employees are: Federal civil service workers, public school

teachers, members of police and fire departments, and members of the armed forces. For more information, please get Publication 524, Credit for the Elderly.

If you lived with your spouse at any time in 1979, you must file a joint return to take the credit. If you and your spouse lived apart the whole year, you can file either a joint return or separate returns, but you may be limited in what schedule, if any, you can use. If your spouse is 65 or older and you are under 65 with public retirement system income, you cannot use Schedule RP unless your spouse makes the election with you to use Schedule RP. The election is made by both of you filing Schedule RP with your separate returns. If your spouse does not make the election with you, you cannot claim any credit for the elderly on your separate return.

A nonresident alien can take the credit if:

- a. he or she is married to a U.S. citizen or resident, and
- b. the couple choose to file a joint return and be taxed on their worldwide income.

Figuring the Credit

If you want us to, we will figure your credit. Please see page 5, "We will figure some of your credits, too."

If you figure it yourself, first fill out Form 1040 through line 37. Then, read the instructions for the schedule (R or RP) you would use. If you are married and have a choice of schedules, figure your credit both ways to see which schedule will give you more credit.

Before You Start to Fill Out Your Schedule, Check This Table.

If your income for your age and filing status is less than the amount in the table, you may be able to take the credit.

If your income for your age and filing status is more than the amount in the table, you cannot take the credit for the elderly. DO NOT FILL OUT the SCHEDULE.

Complete Schedule R if you are:	And received nontaxable pensions (social security, etc.) of less than:	Or the amount on line 32, Form 1040 is less than:
Single (this includes Head of Household and Qualifying Widow(er) with Dependent Child)	\$2,500	\$12,500
Married filing a joint return and		
• one spouse is 65 or over	\$2,500	\$15,000
• both are 65 or over	\$3,750	\$17,500
Married filing a separate return	\$1,875	\$8,750

Complete Schedule RP if you are:	And received nontaxable pensions (social security, etc.) of less than:	Or had earned income (wages, salaries, etc.) of less than:
Single (this includes Head of Household and Qualifying Widow(er) with Dependent Child)		
• under 62	\$2,500	\$3,400
• at least 62 but under 65	\$2,500	\$3,950
Married filing a separate return and		
• under 62	\$1,875	\$2,775
• at least 62 but under 65	\$1,875	\$3,325

Married filing joint return—If Married filing joint return and are eligible to use Schedule RP, you may complete it if:

1. either spouse received nontaxable pensions (social security, etc.) of less than \$2,500, and
2. that spouse
 1. is at least 72, or
 2. is at least 62 but under 65 and had earned income (wages, salaries, etc.) of less than \$3,950, or
 3. is under 62 and had earned income (wages, salaries, etc.) of less than \$3,400.

Line-by-Line Instructions for Schedule R

Be sure to enter your name and social security number at the top.

Boxes A-D

Filing Status and Age

The largest amount you can use to figure the credit is based on your filing status and age, and, if you are married, on your spouse's age. "Single" includes Head of Household and Qualifying Widow(er) with Dependent Child. Check only one box.

Line 1

Enter the amount for the box you checked.

Line 2a

Report pensions and annuities that are not taxed. (Do not include amounts you received from workers' compensation, insurance, damages, etc., for injury or sickness.) Include payments you received from:

- Social security (before deduction of medicare premiums).
- Railroad retirement (but not supplemental annuities).
- Veterans' pensions (but not military disability pensions).
- A matured U.S. Government life insurance endowment contract (after you subtract all amounts you paid for the contract).

Lines 2b, c, d, and e

Use these lines if your adjusted gross income on Form 1040, line 32, is MORE than the amount printed on line 2c for the box that you checked.

Line 3

Add lines 2a and 2e. Put total on line 3. If the amount on line 3 is more than the amount on line 1, you cannot take the credit; do not complete Schedule R.

Line 4

Subtract line 3 from line 1. This is the amount you use to figure your credit.

Line 5

Multiply line 4 by 15% (.15) and enter the result on line 5.

Line 6

Enter the tax from Form 1040, line 37. (If this amount is zero, you cannot take the credit; do not file Schedule R.)

Line 7

Enter the amount from line 5 or line 6, whichever is less. This is your Credit for the Elderly. Put the same amount on Form 1040, line 39.

Line-by-Line Instructions for Schedule RP

Be sure to enter your name and social security number at the top.

Name of Public Retirement System

Please enter the name of the public retirement system of the spouse under 65. If both you and your spouse are under 65 and receive income from a public retirement system(s), enter the name of the public retirement system(s) of both you and your spouse. Identify the husband's public retirement system with an (H) and the wife's with a (W).

Boxes A-E**Filing Status and Age**

The largest amount you can use to figure the credit is based on your filing status and age; and if you are married, on your spouse's age. "Single" includes Head of Household and Qualifying Widower (or) with Dependent Child. Check only one box.

If you are filing a joint return and checked box C, use column (a) for the wife and column (b) for the husband. If you checked box B, the spouse under 65 should use column (b).

Community Property Income

If you use Schedule RP and file a joint return you should disregard community property laws in figuring the credit. (Community property States are: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington.) Enter the total of all taxable and nontaxable income in the column of the spouse who received it.

Line 1

Enter the amount for the box you checked. If you file a joint return and you checked box B or C, the \$3,750 must be allocated between you and your spouse. No more than \$2,500 can be entered for either of

*you. Generally, you will get more credit if the larger amount is entered for the spouse with more retirement income.

Line 2a

Report pensions and annuities that are not taxed. (Do not include amounts you received from workers' compensation, insurance, damages, etc., for injury or sickness.) Include payments you received from:

- Social security (before deduction of medicare premiums).
- Railroad retirement (but not supplemental annuities).
- Veterans' pensions (but not military disability pensions).
- A matured U.S. Government life insurance endowment contract (after you subtract all amounts you paid for the contract).

Line 2b

Use this line if you had wages, salaries, or other earned income (including disability income that you reported on Form 1040, line 8) of more than:

- \$900 and you were under 62, or
- \$1,200 and you were at least 62 but under 72.

Skip this line and go to line 3 if you:

- were 72 or over, or
- had earned income of \$900 or less, or
- were at least 62 but under 72 and had earned income of \$1,200 or less.

See page 12 of instructions for definition of earned income.

If you use line 2b, please follow the instructions below.

If you were under 62 and had earned income of more than \$900, subtract \$900 from the amount you earned. Enter the result on line 2b(i).

If you were at least 62 but under 72, and had earned income of more than \$1,200 but not more than \$1,700, subtract \$1,200 from the amount of your earned income. Divide the balance by 2 and enter the result on line 2b(ii).

If you were at least 62 but under 72, and had earned income of more than \$1,700, subtract \$1,450 from your earned income. Enter the result on line 2b(iii).

Line 3

Add lines 2a, 2b(i), and 2b(ii). Put the total on line 3.

Line 4

Subtract line 3 from line 1. This is the largest amount of income you can use to figure your credit.

If the amount on line 3 is more than the amount on line 1 for a column, do not complete the rest of the lines in that column.

Line 5

The kind of retirement income you enter depends on whether you are under 65 or whether you are 65 or over. Do not include any amount from line 2a; those pensions are not taxable.

Line 5a

If you were under 65 on January 1, 1980, enter the pension or annuity payments you received from a public retirement system and reported as income. Do not enter social security income or railroad retirement that you excluded from gross income.

If your spouse died and you received payments from his or her public retirement plan, enter the payments you reported as income.

If you retired on disability, report your disability annuity payments as retirement income if:

- the payments are for periods after you reached minimum retirement age, and
- the payments are not reportable on Form 1040, line 8.

Line 5b

If you were 65 or over on January 1, 1980, enter the amount that you reported as income from the sources listed below:

- Individual retirement arrangements (IRA), pension or annuity contracts, and retirement bonds.
- Interest.
- Dividends.
- Rents (before subtracting expenses).

Line 6

Enter the amount from line 4 or 5, whichever is less.

Line 7

If you are filing a joint return, add the amounts in columns (a) and (b) of line 6. Enter the total on line 7. If you are not filing a joint return, enter the amount from column (b) of line 6.

Line 8

Multiply line 7 by 15% (.15) and enter the result on this line.

Line 9

Enter the tax from Form 1040, line 37. (If this amount is zero, you cannot take the credit; do not file Schedule RP.)

Line 10

Enter the amount from line 8 or 9, whichever is less. This is your Credit for the Elderly. Enter the same amount on Form 1040, line 39.

Instructions for Schedule C Profit or (Loss) From Business or Profession**Purpose**

If you operated a business or practiced a profession, complete Schedule C. If you had more than one business, or if you and your spouse had separate businesses, please complete a Schedule C for each business.

Farmers should use Schedule F. For expenses which are part business and part personal, deduct only the business part. For example, if only half of your car usage was for business, deduct only half of the cost of operating the car. Deduct interest, taxes, and casualty losses not related to your business as itemized deductions on Schedule A.

Report sales, exchanges, and involuntary conversions of trade or business property on Form 4797, Supplemental Schedule of Gains and Losses.

You must pay social security self-employment tax on income from any trade or business unless you are specifically exempted. Please see Schedule SE.

If you need more information about business income and expenses, get Publication 334, Tax Guide for Small Business.

Item A**Main Business Activity and Product**

Report the business activity that accounted for the most income included on Schedule C, Part I, line 1a. Give the general field as well as the product or service. For example, "wholesale—groceries" or "retail—hardware."

Item C**Employer Identification Number**

You don't need an employer identification number unless you had a Keogh (H.R. 10) plan or were required to file an employment, excise, or alcohol, tobacco, and firearms tax return.

Item D**Business Address**

Use your home address only if you actually conducted the business from your home. You should show a street address instead of a box number.

Item E**Accounting Method**

You must use the cash method on your return unless you kept account books. If you kept books, you can use the cash method, accrual method, or in some cases, the completed contract or percentage of completion method. The method used must clearly reflect your income.

If you want to change your accounting method (including the treatment of any item such as inventories or bad debts), you must usually first get the permission of the Commissioner of Internal Revenue. File Form 3115 within the first 180 days of the tax year in which you want to make the change.

If you use the cash method, show all items of taxable income actually or con-

structively received during the year (in cash, property, or services). Also show amounts actually paid during the year for deductible expenses. Income is constructively received when it is credited to your account or set aside for you to use.

If you use the accrual method, report income when you earn it and deduct expenses when you incur them, even if you do not pay them during the tax year.

Item F**Valuation Methods**

Your inventories can be valued at:

- cost,
- cost or market value, whichever is lower, or
- any other method approved by the Commissioner of Internal Revenue.

Item H**Business Use of Your Home**

Within certain limits, you may deduct business expenses that apply to a part of your home only if that part is exclusively used on a regular basis:

- a. as your principal place of business, or
- b. as a place of business used by your patients, clients, or customers in meeting or dealing with you in the normal course of your trade or business, or
- c. in connection with your trade or business if it is a separate structure that is not attached to your home.

You may also deduct expenses that apply to space within your home if it is the only fixed location of your trade or business. The space must be used on a regular basis to store inventory held for use in your trade or business of selling products at retail or wholesale.

If you use space in your home on a regular basis in your trade or business of providing day care service, you may be able to deduct the business expenses even though you also use the same space for nonbusiness purposes.

Please get Publication 587, Business Use of Your Home, for more information.

Item I**Certified Historic Structures**

You may elect to amortize rehabilitation expenditures or take accelerated depreciation for certain certified historic structures. Section 191 allows amortization to be figured using a period of 60 months. Section 167(c) allows an accelerated method of depreciation if you substantially rehabilitate a certified historic structure. For additional details on this election, including how to complete Item I, see the instructions on page 23 for lines 6a and b.

Information Returns

You may have to file information returns for wages paid to employees, certain payments of fees and other non-employee compensation, interest, rents, royalties, annuities, and pensions. For more information, see instructions for Forms W-3 (Transmittal of Income and Tax Statements) and 1096 (Annual Summary and Transmittal of U.S. Information Returns).

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Part I Income (Lines 1 through 5)**Line 1a Gross Receipts or Sales**

Enter gross receipts or sales from your business.

Installment Sales. If you use the installment method of reporting sales income, please attach a schedule showing separately for 1979 and the three preceding years: gross sales; cost of goods sold; gross profit; percentage of gross profits to gross sales; amounts collected; and gross profits on amounts collected.

Line 1b Returns and Allowances

You should enter on line 1b such items as returned sales, rebates, and allowances from the sales price.

Line 2**Cost of Goods Sold and/or Operations**

Cost of Goods Sold. If you engaged in a trade or business in which the production, purchase, or sale of merchandise was an income-producing factor, merchandise inventories must be taken into account at the beginning and end of your tax year. Enter the amount from Schedule C-1, line 8.

Cost of Operations (Inventories Not an Income-Producing Factor). If the amount on line 2 exceeds the cost of operations, complete the appropriate lines on Schedule C-1.

Line 4 Other Income

Include finance reserve income, scrap sales, amounts recovered from bad debts, interest and other kinds of miscellaneous income from the business or profession.

Part II Deductions (Lines 6 through 33)**Line 7 Amortization**

You may amortize the cost of pollution-control facilities, on-the-job training facilities, rehabilitation of certified historic buildings and child care facilities over a 60-month period instead of taking the depreciation deduction. You may also amortize amounts you paid for research, experiments, and a trademark or trade name over a period of at least 60 months.

Real property construction period interest and taxes generally cannot be fully deducted in the year you paid or incurred them. Amounts not allowed as a deduction in the current year must be capitalized and amortized. This rule does not apply to low-income housing.

For more information about amounts subject to amortization, please get Publication 535, Business Expenses and Operating Losses.

Line 8**Bad Debts from Sales or Services**

Include debts and partial debts arising from sales or services that were included in income and are definitely known to be worthless. Instead of this, you may deduct a reasonable amount that was added during the tax year to a bad debt reserve. If you later collect a debt that you deducted as a bad debt, include it as income

in the year you collect it unless you use the bad debt reserve method. For more information, please get Publication 548, Deductions for Bad Debts.

Line 10 Car and Truck Expenses*

You can deduct the actual cost of running your car or truck or take the fixed mileage rate. You must use actual costs if you use more than one car or truck in your business. If you deduct actual cost, show depreciation on line 13.

The fixed rate is figured at 18½ cents a mile for the first 15,000 miles and 10 cents for each mile over 15,000. Add to this amount your parking fees and tolls.

For cars that have been or are considered fully depreciated, the rate is 10 cents a mile for all business mileage. You can change methods of figuring your cost from year to year. But you cannot change to the fixed mileage rate if you claimed depreciation and did not use the straight line method, or if you claimed additional first-year depreciation.

Line 12 Depletion

Enter your total deduction for depletion on this line.

If you claim a deduction for timber depletion, please attach Form T.

Line 13 Depreciation

You can deduct a reasonable allowance for the exhaustion, wear and tear, and obsolescence of property used in a trade or business, or property held for the production of income. The allowance does not apply to stock, trade, inventories, land, and personal assets.

You can either list items separately or group similar assets as one item when filing in Schedule C-2.

Please see Form 4562, Depreciation, for information on depreciation methods, limitations and special rules. Publication 534, Depreciation, also contains helpful information.

Note: Your total additional first-year depreciation deduction from all sources is limited to \$2,000 (\$4,000 if married filing a joint return).

Line 15**Employee Benefit Programs**

Enter the amount of your contributions that are not an incidental part of a pension or profit-sharing plan included on line 22. Also include here contributions to insurance, health and welfare programs.

Line 18**Interest on Business Indebtedness**

If you paid interest for years after 1979, deduct only the part you paid for 1979.

Don't take a deduction on Schedule C for interest you paid or accrued on debts from buying or carrying investment property. Deduct this interest on Schedule A. For more information, see Publication 545, Interest Expense.

Line 22**Pension and Profit-Sharing Plans**

You should enter the amount you claim as a deduction for contributions to a pension, profit-sharing, or annuity plan, or plans, for the benefit of your employees. If the plan includes you as a self-employed person, you should enter contributions made as an employer on your behalf (but not voluntary contributions you made as an employee) on Form 1040, line 26, instead of on Schedule C, line 22. For filing requirements, please see instructions for Form 1040, line 26, on page 11.

Line 25 Repairs

You can deduct the cost of repairs including labor, supplies, and other items that do not add to the value or increase the life of the property. Do not deduct the value of your own labor. And do not deduct amounts you spent to restore or replace property. They are chargeable to capital accounts or to depreciation reserve, depending on how depreciation is charged on your books.

Line 29 Travel and Entertainment

You can deduct all ordinary and necessary travel and entertainment expenses paid or incurred in your trade or business. Be sure to fill in Schedule C-3 to report expense account information.

Generally, for years ending after 1978, no deduction is allowed for any expense paid or incurred after 12/31/78 for a facility (such as a yacht or hunting lodge) that is used for any activity that is usually considered entertainment, amusement, or recreation. (See Section 274 of the Internal Revenue Code.)

Line 31 Wages

Enter on line 31a the total salaries and wages (other than salaries and wages deducted elsewhere on your return) paid or incurred for the tax year. Do not include any amount paid to yourself.

Enter on line 31b the jobs credit from Form 5884 and on line 31c, the WIN credit from Form 4874. Subtract the total of these credits from wages shown on line 31a and enter the balance on 31c.

For more details, please get Publication 906, Targeted Jobs and WIN Credits.

Line 32 Other Business Expenses

Include all ordinary and necessary business expenses not deducted elsewhere on Schedule C. Do not include the cost of business equipment or furniture, replacements or permanent improvements to property, or personal living and family expenses.

Any loss from this activity that was not allowed as a deduction last year because of the "at risk" provisions, is treated as a deduction allocable to this activity in 1979.

Line 34

Net Profit or (Loss)

If you have a profit, stop here. Enter the amount here and on Form 1040, line 13, and Schedule SE, Part II, line 5a (or Form 1041, line 6).

If you have a loss, go on to line 35 before entering your loss on line 34.

Line 35 At Risk

Deductions for losses by persons who are engaged in a trade or business (other than real estate), or an activity for the production of income, are limited to the amount they have "at risk" in the business. You are "at risk" for an activity for the cash and adjusted basis of property you contributed to the activity and any amount borrowed for use in the activity for which you are personally liable. You are also "at risk" to the extent of the fair market value of your own property (not used in the activity) which secures borrowed amounts for which you are not liable.

Answer the question "YES" if you have any loans for this business that:

- you borrowed from a person who is related to you under section 267(b); OR
- you borrowed from a person who has an interest in the business (other than as a creditor); OR
- you are protected against loss by a guarantee, stop-loss agreement, or similar arrangement; OR
- you are not personally required to pay back the money.

If you do not have any of these kinds of loans or other amounts for which you are not "at risk" in this business, then answer the question "NO." Enter the full loss on line 34 and on Form 1040, line 13, and Schedule SE, Part II, line 5a (or Form 1041, line 6).

If you answered "YES" to the question on line 35, enter on line 34, either the amount of your loss, or the amount for which you are considered "at risk," whichever is smaller. For example, if your loss is \$1,000 and your amount "at risk" is \$400, you would enter "\$400" on line 34. Or, if your loss is \$1,000 and your amount "at risk" is \$1,200, enter "\$1,000" on line 34.

If your "at risk" amount is smaller than zero, enter zero.

Also enter this amount as your loss from Schedule C on Form 1040, line 13, and Schedule SE, Part II, line 5a (or Form 1041, line 6).

If you dispose of an asset used in an activity to which the "at risk" rules apply, (see section 465 of the I.R. Code), combine the gain or loss on the disposition with the profit or loss from the activity. If you have a net loss, you may be subject to the "at risk" provisions.

Schedule C-3

Expense Account Information

Enter here amounts which you are deducting on Schedule C that were:

- amounts other than wages and salaries, received as advances or reimbursements, and
- amounts you paid for expenses incurred by or for yourself or your employees. Also, do not include incidental expenses, like bus or taxi fares paid for local errands. Be sure to keep detailed records as proof of amounts spent for entertainment.

Foreign Conventions. Generally, no deduction is allowed for attendance at more than two foreign conventions during your tax year. The amount of expenses you can deduct is also subject to special limitations based on the amount of time actually devoted to business, etc.

In order to deduct any expenses for a foreign convention you must attach two signed statements to your tax return for the year in which you deduct the expenses.

1. Attach a statement, signed by you, indicating the total days of the trip, the days and amounts spent traveling, the number of hours each day devoted to the scheduled business activities and a program of the business activities.

b. Attach a statement, signed by an officer of the organization or group sponsoring the convention, showing the schedule of business activities for each day of the convention and the number of hours each day such scheduled business activities were attended.

For more information, please get Publication 463, Travel, Entertainment, and Gift Expenses.

Instructions for

Schedule SE

Social Security Self-Employment Tax

Purpose

Schedule SE is used by the Social Security Administration to figure benefits under the social security program for self-employed people. Social security self-employment tax applies regardless of your age, and even if you are receiving social security benefits.

Who Must Use Schedule SE

You must use Schedule SE if:

1. You were self-employed;
2. Your net earnings from self-employment were \$400 or more; and
3. You did not have wages (including tips) of \$22,900 or more that were subject to social security tax or railroad retirement tax.

Who Should Use Schedule SE

You should use Schedule SE, even if your self-employment income is less than \$400 if you were self-employed and:

- Form 1040, line 31, is less than \$10,000 and you wish to claim the earned income credit; or
- If you use the optional method of computing self-employment income. See Publication 533, Self-Employment Tax.

Note: If you use either optional method of computing self-employment tax, you may be able to claim the earned income credit even if you had a net operating loss.

If you were eligible for the earned income credit in 1976, 1977, or 1978, you may be able to get a refund by filing Form 1040X, Amended U.S. Individual Income Tax Return. However, to get the earned income credit for 1976, you must file Form 1040X by April 15, 1980.

For purposes of the earned income credit, earned income does not include income which is exempt from self-employment tax because you filed Form 4029 or Form 4361, unless this income is wages, salaries, tips, or other employee compensation.

Example: During 1979 a minister received a part-time salary of \$2,800 and a housing allowance of \$1,200 as part of his salary. Although the housing allowance is not subject to income tax, and neither amount is subject to self-employment tax the entire \$4,000 would be used to figure his Earned Income Credit.

Which Parts to Use on Schedule SE

If you had ONLY farm income, complete Parts I and III.
If you had ONLY nonfarm income, complete Parts II and III.
If you had BOTH farm and nonfarm income, complete Parts I, II, and III.

General Information

To assure proper credit to your account, please enter your name and social security number on this schedule exactly as they are shown on your social security card.

Fiscal year filers must use the tax rate and earnings base that apply at the time their fiscal year begins. No proration of the tax or earnings base is required for a fiscal year that overlaps the date of a rate or earnings base change.

More Than One Business

If you farmed and had at least one other trade or business, your net earnings from self-employment are the combined earnings from all your businesses. If you had a loss in one trade or business, it reduces the income from another. In these cases, please use both Schedule F and Schedule C to figure net profit from the farm and nonfarm activities. Figure the combined self-employment tax on Schedule SE.

Joint Returns

Show the name of the spouse with self-employment income on Schedule SE. If both spouses have self-employment income, each must file a separate Schedule SE. Include the total profits or (losses) from all businesses on Form 1040, line 13 or 19, as appropriate. Then enter the combined self-employment tax on Form 1040, line 48.

Community Income

In figuring net earnings from self-employment, if any of the income from a business, including farming, is community income, all the income from that business is considered the income of the husband, unless the wife managed and controlled the business. In that case, all the income is considered the wife's.

If you file separate returns, please attach Schedules C and SE (for nonfarm business) or Schedules F and SE (for farm business) to the return of the spouse with the self-employment income. Community income included on these schedules must be divided, for income tax purposes, on the basis of the community property laws.

Partnerships

In figuring your combined net earnings from self-employment, you should include your entire share of earnings from a partnership, including any guaranteed payments. However, limited partners should not include their income (or loss) from a partnership, other than guaranteed payments, for tax years beginning after December 31, 1977. No part of that share can be treated as your spouse's even if the income, under State law, is community income. In a husband and wife farm partnership, enter the distributive share of each as partnership income on Schedule E (Form 1040), Part III, for income tax purposes, and on Schedule SE, line 1b, for self-employment tax purposes. Report nonfarm partnership income on Schedule SE, line 5b.

If a partner in a continuing partnership dies, that member's distributive share of partnership ordinary income or (loss) for the year must be included in that partner's net earnings from self-employment.

Share-Farming

If you produced crops or livestock on land belonging to another for a share of the crops or livestock produced, or the proceeds from them, you are considered to be an independent contractor and a self-employed person rather than an employee. Report your net earnings for income tax on Schedule F and for social security self-employment tax on Schedule SE.

In figuring net earnings from self-employment, do not include income or (loss) or any deductions for expenses connected with this income from the following:

1. Salaries, fees, etc. from the performance of services as:

1. a public official, except as noted below;
2. an employee or employee representative under the railroad retirement system; or
3. an employee, except as noted below.

b. Income you received as a retired partner under a written partnership plan that provides for lifelong periodic retirement payments, if you had no other interest in the partnership and did not perform services for it during the year.

c. Real estate rentals, unless received in the course of a trade or business as a real estate dealer. These include cash and crop shares received from a tenant or sharefarmer. You should report these amounts on Schedule E, Part II.

d. Dividends on shares of stock and interest on bonds, debentures, notes, certificates, or other evidence of corporate indebtedness unless received in the course of your trade or business as a dealer in stocks or securities.

- e. Gain or loss from:

1. the sale or exchange of a capital asset, certain transactions in timber, coal, or domestic iron ore; or
3. the sale, exchange, involuntary conversion or other disposition of property unless the property is stock in trade or other property that would be includible in inventory, or held primarily for sale to customers in the ordinary course of the business.

- f. Net operating losses from other years.

In figuring your net earnings from self-employment, be sure to include:

- Rental income from a farm if the rental arrangement provides for material participation by the landlord and the landlord participated materially in the production or management of the production of farm products on this land. This income is farm earnings. Report it on Schedules F and SE. To determine whether you participated materially in farm management or production, do not consider the activities of any agent who acted for you.
- Payments for the use of rooms or other space when services are also provided to the occupant, such as rooms in hotels, boarding houses, tourist camps, or homes.
- Payments for space in parking lots, trailer parks, warehouses, or storage garages.
- Income from the retail sale of newspapers and magazines by an employee 18 or over if the employee kept the profits.
- Income received by certain crew members of fishing vessels with a crew of less than 10 individuals. Also, see Publication 595, Tax Guide for Commercial Fishermen.

Fee Basis State or Local Government Employees

Fees received for functions and services performed by these employees (including public officers who in this capacity are employees) are subject to self-employment tax if the functions and services are performed in positions which are: a. compensated solely on a fee basis; and b. not covered under a Federal-State social security coverage agreement.

Clergy

If you are a minister or member of a religious order, include in your earnings from self-employment (but not for income tax purposes) the rental value of a home furnished you or an allowance for it. You must also include the value of meals and lodging provided to you for the convenience of your employer.

If you are a duly ordained, commissioned, or licensed minister of a church, member of a religious order (who has not taken a vow of poverty) or a Christian Science practitioner, you are subject to social security self-employment tax. But you can, under certain conditions, request IRS approval to exempt your income from services as a minister, member, or practitioner by filing Form 4361. If you have received IRS approval and have no other income subject to social security self-employment tax, write "Exempt—Form 4361" on Form 1040, line 48. If you filed Form 4361, but have \$400 or more from other earnings subject to self-employment tax, you must complete Schedule SE.

Note: If you filed an effective waiver certificate, Form 2031, to pay social security self-employment tax, you cannot apply for an exemption.

Members of Certain Religious Sects

If you have conscientious objections to social security insurance because of your belief in the teachings of a recognized religious sect of which you are a member, you can file Form 4029 to be exempt from self-employment tax. If you filed Form 4029 and have received IRS approval, do not file Schedule SE. Instead, write "Exempt—Form 4029" on Form 1040, line 48.

Coverage for Overseas Missionaries

Ministers and members of religious orders who are U.S. citizens serving outside the U.S. may figure earnings from self-employment as if they were serving in the United States. This applies to those who have not elected exemption from coverage. Christian Science practitioners are not included in this provision.

For more information, please get Publication 517, Social Security for Members of the Clergy and Religious Workers.

U.S. Citizens Employed by Foreign Governments or International Organizations

You are subject to the social security self-employment tax if you are a U.S. citizen employed in the United States, Puerto Rico, American Samoa, or the Virgin Islands by a foreign government, in certain cases an instrumentality wholly owned by a foreign government, or an international organization organized under the International Organizations Immunities Act. Report income from this employment on Schedule SE, line 5d.

Self-employed U.S. Citizens

Temporarily Living Outside the U.S. If you are a U.S. citizen self-employed outside the U.S. and keep your residence in

the U.S., figure your earnings from self-employment in the same way as those who are self-employed in the U.S. Exclusion of income earned abroad for income tax purposes does not apply to social security self-employment tax. This provision does not apply to U.S. citizens who have established residence in a foreign country.

Self-employed taxpayers residing in Puerto Rico, Guam, American Samoa, or the Virgin Islands should get Publication 570, Tax Guide for U.S. Citizens Employed in U.S. Possessions, for more details.

Optional Method for Figuring Net Earnings from Farm Self-Employment

If your gross farming profits for the year were not more than \$2,400, you can report two-thirds of your gross farm profits instead of your actual net earnings from farming.

If your gross farm profits were more than \$2,400, and your net farm earnings were less than \$1,600, you can report \$1,600 on line 3b.

There is no limit on how many times you can elect this optional method. If you use this method, you must apply it to all farm earnings from self-employment for the year. This method may be used to increase or decrease net farm earnings, even if the farming operation resulted in a loss. You may change the method (from actual net to optional net or the reverse) after you file your return.

For the optional method, figure your share of gross profits from the farm partnership according to the partnership agreement. With guaranteed payments, your share of the partnership's gross profits is your guaranteed payment plus your share of the gross profits after the gross profits are reduced by all guaranteed payments of the partnership.

Optional Method for Figuring Net Earnings from Nonfarm Self-Employment

You may be able to use an optional method to figure your net earnings from nonfarm self-employment if your actual earnings from nonfarm self-employment are less than \$1,600, and less than two-thirds of your gross nonfarm profits.

You may use this optional method if you are:

- regularly self-employed, or
 - regularly a member of a partnership.
- This requirement is met if you had actual net earnings from self-employment of \$400 or more (including your distributive share of the income or loss from any partnership of which you are a member) from nonfarm and farm businesses in at least 2 of the 3 years immediately before the year for which you use the nonfarm option.

In this optional method, you may report two-thirds of your gross nonfarm profits (but not more than \$1,600) as your net earnings from self-employment. The nonfarm optional method does not allow you to report less than your actual net earnings from nonfarm self-employment.

The limit for the optional method for nonfarm self-employment is 5 years. The 5 years need not be consecutive.

If both nonfarm and farm businesses are involved, the nonfarm option may be used only if your actual net earnings from nonfarm self-employment are less than \$1,600. In all combined cases, your net nonfarm earnings must be less than two-thirds of your gross nonfarm profits to use the nonfarm option. If you qualify to use both options, you may report less than actual total net earnings but not less than actual net earnings from nonfarm self-employment alone.

If you use both options in figuring net earnings from self-employment, your maximum combined total of net earnings from self-employment for any tax year cannot be more than \$1,600.

For the nonfarm optional method, figure your share of gross profits from a nonfarm partnership according to the partnership agreement. With guaranteed payments, your share of the partnership's gross profits is your guaranteed payment plus your share of the gross profits after the gross profits are reduced by all guaranteed payments of the partnership. For more information, please get Publication 533, Self-Employment Tax.

Line-By-Line Instructions

Name of self-employed person. Please enter the name and social security number of the self-employed person as it appears on that person's social security card.

We have provided specific instructions for most of the lines on the schedule. Those lines that do not appear in the instructions are self-explanatory.

Part I Computation of Net Earnings from Farm Self-Employment

Line 2
Exclude from line 2, any income or expense not included in figuring net earnings from farm self-employment and attach an explanation. Also exclude from line 2 any additional first-year depreciation or unreimbursed expenses from farm partnership income.

Line 3a
If you elect the farm optional method and if the total of: the amount from Schedule F, line 32, or line 89, and the amount from Form 1065, Schedule K-1, line 3, is not more than \$2,400, enter two-thirds of the total of the amount from Schedule F, line 32 or 89, and Form 1065, Schedule K-1, line 3.

Line 3b
If the total of the amount from Schedule F, line 32, or line 89, and Form 1065, Schedule K-1, line 3, is more than \$2,400, and line 1a is less than \$1,600, enter \$1,600.

The items taken from these lines may be subject to adjustment. See Publication 533, Self-Employment Tax.

Line 4
If you elect the Farm Optional Method, enter the amount from line 3; otherwise, enter the amount from line 2. If you have only farm income, skip Part II and go to Part III.

Part II Computation of Net Earnings from Nonfarm Self-Employment

Line 5b
Enter the amount of your net profit or (loss) from partnerships, joint ventures, etc. Do not include farming. If you have a loss enter only your deductible loss.

Line 5e
Enter the amount of your net profit or (loss) from other self-employment not covered in the previous items.

Line 7
Use line 7 to exclude any amounts reported in Schedule C that should not be taken into account in figuring your nonfarm self-employment income. Deduct additional first-year depreciation from nonfarm partnerships on this line.

Line 10
Enter the smaller of:
● \$1,600, or
● $\frac{2}{3}$ of the total of gross profits from Schedule C, line 3, plus the distributive share of gross profits from nonfarm partnerships (Schedule K-1, line 15b). Also include gross profits from services reported on lines 5c, 5d, and 5e, as adjusted by line 7.

Instructions for Schedule F Farm Income and Expenses

Purpose

Use Schedule F to report farm income and expenses if you file Forms 1040, 1041, or 1065. Please get Publication 225, Farmer's Tax Guide, for additional information. It has samples of filled-in forms and schedules. You may also want to get Publication 534, Depreciation.

Do not report the following income on Schedule F:

- Rent you received that was based on farm production or crop shares, if you did not run the farm yourself. Report this kind of income on Form 4835 and Schedule E (Form 1040). It is not subject to self-employment tax.
- Sales, exchanges, or involuntary conversions of certain trade or business property. Report this income on Form 4797.
- Sales of livestock held for draft, breeding, sport, or dairy purposes. Report this income on Form 4777.

Which Parts to Use

● Schedule F has 5 parts. The method of accounting you use to record your farm income determines which parts you must complete.

Under the cash method, you include all of your income in the year you actually receive it. Generally, you deduct your expenses when you pay them. If you use the cash method, fill in Parts I, II, and III.

Under the accrual method, you include your income in the year you earned it. It does not matter when you receive it. You deduct your expenses when you incur them. If you use the accrual method, fill in Parts II, III, IV, and V.

Employer Identification Number
You need an employer identification number only if:

- you had a Keogh (H.R. 10) plan, or
- you were required to file an employment tax, excise tax, or alcohol, tobacco or firearms tax return.

Part I Farm Income Cash Method

In Part I show the income you received for the items listed on lines 1 through 29. Count both the cash you received and the fair market value of goods or other property you received for these items.

If you ran the farm yourself, and received rents based on farm production or crop shares, report these rents as income on the line for the crop, or on line 30 as "other income".

Line 1
In column (b) show the amount you received from sales of livestock you bought for resale. In column (c) show the cost or other basis of the livestock.

Line 2
In column (b) show the amount you received from sales of other items you bought for resale. In column (c) show the cost or other basis of those items.

Line 4
If you sold livestock because of a drought, you can choose to count the income from the sale in the year after the drought, instead of the year of the sale.

You can do this if:
● your main business is farming, AND
● you can show that you sold the livestock only because of the drought, AND
● your area qualified for Federal aid.
You may include crop insurance proceeds and certain disaster payments in income in the tax year after the year of damage if you can show that it is your practice to report income from these crops in the later tax year.

Lines 5 through 21
Show the amount you got from the sale of livestock and produce you raised.

Line 22
Show the amount you were paid for the use of your farm machinery.

Line 23
Show patronage dividends you received in cash, and the dollar amount of qualified written notices of allocation. If you received property as patronage dividends, report the fair market value of the property as income. Include cash advances you received from a marketing cooperative.

You do not have to include as income patronage dividends from buying:
● personal or family items.
● capital assets.
● depreciable assets you use in your business.

If you do not report patronage dividends from these items as income, you must subtract the amount of the dividend from the cost or other basis of these items.

Line 24
If you receive per-unit retains in cash, show the amount of cash. If you receive qualified per-unit retain certificates, show the stated dollar amount of the certificate.

Line 26
Enter on line 26a cash you received as price support payments, diversion payments and cost-share payments (sight drafts).

On line 26b, show the amounts the Department of Agriculture paid for materials such as fertilizer or lime, or services such as grading or constructing dams.

Line 27
Report Commodity Credit Corporation loans you received as income if:
● the commodities are delivered or forfeited to the Corporation instead of sold in the market, OR
● you choose to report the loan as income when you receive it. If you do this, attach a statement showing the details of the loan. You must continue to report these loans as income unless the IRS permits you to change your accounting method.

Line 28
If you took a credit for Federal gasoline tax on your 1978 Form 1040, enter the amount of the credit here.

Line 29
Enter the amount of any State gasoline tax refund you got in 1979.

Line 30
Use this line to report income other than that shown on lines 1 through 29.
You should report the sale of commodity futures contracts on this line if they were made to protect you from price changes. These are a form of business insurance and are considered hedges. Enter any profit on line 30. If you had a loss in a closed futures contract, show it as a minus amount.

Purchase or sales contracts are not true hedges if they offset losses that already happened. If you bought or sold commodity futures with the hope of making a profit due to favorable price changes, do not report the profit or loss on this line. Report the gain or loss on Schedule D, (Form 1040, 1041, or 1065).

**Part II
Farm Deductions
Cash and Accrual Method**
Do not deduct:

- personal or living expenses (such as taxes, insurance, or repairs on your home) which do not produce farm income.
- expenses of raising anything you or your family used.
- the value of animals you raised that died.
- loss of inventory.
- personal losses.

● the cost of planting and growing citrus or almond groves for the first four years after you plant them. You must treat these items as part of the cost of the grove.

If you were repaid for any part of an expense, you must subtract the amount you were repaid from the deduction.

Farming Syndicates

A farming syndicate may be:

- a partnership, or
- any other noncorporate group, or
- a small business corporation, if
a. the interests in the business have ever been for sale in a way that would require registration with any Federal or State agency, or
b. more than 35 percent of the loss during any tax year is spread between limited partners or limited entrepreneurs.

(A limited partner or limited entrepreneur is a person who does not take any active part in managing the business, and who can lose only the amount he or she has invested.)

If you are a farming syndicate, your deductions are limited as follows:
● Generally, you can deduct feed, seed, fertilizers and other farm supplies only in the year you actually use them (or only in the year you can deduct them under your accounting method). However, if you bought supplies you could not use because of fire, storm, flood, disease, or other casualty, then you may deduct them in the year you bought them.
● You must spread the cost of poultry you bought to use in business or to resell over 12 months, or the useful life, whichever is less.

You cannot deduct the cost of planting, cultivating, maintaining or developing groves, orchards or vineyards that produce fruit or nuts before the tax year in which they produce commercial quantities. You must treat these costs as part of the cost of the grove.

Line 33
Enter the amount you paid for farm labor. You can count the cost of boarding farm labor, but not the value of any products from the farm they used. You can count only what you paid household help to care for farm laborers. Do not count the value of your own or your family's labor.

Enter on line 33b the jobs credit from Form 5884 and on line 33c, the WIN credit from Form 4874. Subtract the total of these credits from labor hired on line 33a and enter the balance on 33e.

For more details, please get Publication 906, Targeted Jobs and WIN Credits.

Line 34
Enter what you paid for repairs and upkeep of farm buildings (but not your home), machinery and equipment. You can also include what you paid for tools of short life or small cost, such as shovels and rakes. If you use the Class Life Asset Depreciation Range (CLADR) system, include the total amount of the repair allowance under that system on this line.

Line 35
Show the interest you paid on your farm (but not your home) mortgage. Also include interest on other loans related to this farm. If you prepaid interest in 1979 for years after 1973, include only the part that applies to 1979.

Line 36

If you are a tenant farmer and pay the owner of the land a share of the crop rather than cash, show the cost of raising the crop. Do not enter the value of the crop.

Line 40

Show what you paid to rent machinery used on your farm.

Line 46

You can deduct the following taxes:
• real estate and personal property taxes on farm business assets.
• social security taxes you paid to match what you are required to withhold from farm employees' wages.

Do not deduct:
• Federal income taxes.
• estate and gift taxes.
• taxes assessed to pay for improvements such as paving, sewers, etc.
• taxes on your home or personal property.
• other taxes not related to the farm business.

Line 47

Show only the amount of premiums for fire, storm, crop, and theft insurance for this year for your farm business assets. Do not include insurance on personal assets, or medical, health or disability insurance on yourself or your family.

Line 48

Show what you paid for gas, electricity, water, etc. for business use on the farm. Do not include personal utilities.

Line 50

You can deduct what you spent to conserve soil or water, or to prevent erosion of your land. You can also deduct what you paid to a soil or water district for conservation expenses. Do not deduct more than 25 percent of your gross income from farming (excluding certain gains from selling assets such as farm machinery and land). If your conservation expenses are more than the limit, you can carry the excess over to following years.

Line 51

Show what you paid to clear land so you could farm it. Do not enter more than \$5,000, or 25 percent of your taxable income from farming, whichever is less.

Line 52

Enter the amount you paid to pension, profit-sharing, or annuity plans for your employees. If the plan included you as an owner-employee, see the instructions for Form 1040, line 26. Enter the amount you paid for yourself on that line.

Line 53

Enter any amounts you paid to programs for your employees that are not a part of the plans on line 52. Examples are insurance, health and welfare programs. Do not include amounts paid for yourself or your family here.

Line 54

Enter expenses not listed on another line, such as:
• office supplies.
• advertising.
• car and truck expenses. You can deduct what it cost you to run your car or truck,

or you can use a fixed mileage rate. The rate is 18 1/2 cents a mile for the first 15,000 miles, and 10 cents a mile for each mile after that. However, if the car or truck is fully depreciated, you must use 10 cents a mile for all miles. If you use more than one vehicle for business, you must use the actual cost, and not the mileage rate. If you use the car for both personal and farm purposes, show only the miles (or costs) which apply to farming.

Line 58

If you have a profit, stop here. Enter the amount here and on Form 1040, line 19, and Schedule SE, Part I, line 1a (or Form 1041, line 6). Partnerships should stop here and enter the profit or loss on this line and on Form 1065, line 9. If you have a loss, go on to line 59 before entering your loss on line 58.

Line 59

Deductions for losses by persons who are engaged in farming as a trade or business, or for the production of income, are limited to the amount they have "at risk" in the farm. You are "at risk" for an activity for the cash and adjusted basis of property you contributed to the activity and any amount borrowed for use in the activity for which you are personally liable. You are also "at risk" to the extent of the fair market value of your own property (not used in the activity) which secures borrowed amounts for which you are not liable.

Answer the question "YES" if you have any loans for this farm that:
• you borrowed from a person who is related to you under section 267(b); OR
• you borrowed from a person who has an interest in the business (other than as a creditor); OR
• you are protected against loss by a guarantee, stop-loss agreement or similar arrangement; OR
• you are not personally required to pay back the money.

If you do not have any of these kinds of loans, or other amounts for which you are not "at risk" in this business, then answer the question "NO". Enter the full loss on line 58 and on Form 1040, line 19, and Schedule SE, Part I, line 1a (or Form 1041, line 6).

If you answered "YES" to the question on line 59 enter on line 58, either the amount of your loss, or the amount for which you are considered "at risk", whichever is smaller. For example, if your loss is \$1,000 and your amount "at risk" is \$400, you would enter (\$400) on line 58. Or, if your loss is \$1,000 and your amount "at risk" is \$1,200, enter (\$1,000) on line 58.

If your "at risk" amount is smaller than zero, enter zero. Also enter this amount as your loss from farming on Form 1040, line 19, and Schedule SE, Part I, line 1a (or Form 1041, line 6).

If you dispose of an asset used in an activity to which the "at risk" rules apply (see Section 465 of the I.R. Code), combine the gain or loss on the disposition with the profit or loss from the activity. If you have a net loss, you may be subject to the "at risk" provisions.

Part III

Depreciation
You can deduct depreciation of buildings, improvements, cars and trucks, machinery, and other farm equipment of a permanent nature. Group similar assets as one item to report them in this part.

- Do not include depreciation on:
• your home, furniture, or other personal items,
• land,
• livestock you bought or raised for resale,
• other property in your inventory.

Line 60

You can choose to deduct an additional allowance for first-year depreciation on certain assets that have a useful life of 6 years or more. Please see Publication 534 for more information. If you choose this additional allowance, enter the amount on line 60. You must subtract this amount from the cost or other basis of the asset on which you are taking the additional depreciation. This will reduce the cost or other basis amount on line 61.

Note: Your total additional first-year depreciation deduction from all sources is limited to \$2,000 (\$4,000 if married filing a joint return).

Line 61

Be sure to reduce the cost or other basis of assets for which you have chosen to take additional first-year depreciation on line 60.

Line 62

Add line 60 and line 61, column g. Enter the total on line 62 and in Part II, line 56.

Part IV

Farm Income
Accrual Method
If you used the accrual method, report farm income when you earned it, not when you received it. Generally, you must inventory your animals and crops if you use this method. See Publication 225, Farmer's Tax Guide, for exceptions, inventory methods, and how to change from accrual to cash methods of accounting.

Lines 63 through 76
For each item listed, fill in columns (b), (c), (d) and (e) across. See the line-by-line instructions for Part I for more information.

Part V

Summary of Income and Deductions
Accrual Method
Lines 80 and 81
See instructions for Part I, lines 26 and 27.

Line 82

If you take a credit for Federal gasoline tax on your 1979 income tax return, enter the amount of the credit on this line.

Line 83

If you are due a refund of State gasoline tax for 1979, enter the amount of the refund here.

Line 84

See instructions for Part I, line 30.

Lines 91 and 92

See instructions for Part I, lines 58 and 59.

1979 Tax Table A—SINGLE (Filing Status Box 1)

(For single persons with income of \$20,000 or less on Form 1040, line 34, who claim 3 or fewer exemptions)

To find your tax: Read down the income column until you find your income as shown on Form 1040, line 34. Read across to the column headed by the total number of exemptions claimed on Form 1040, line 7. The amount shown where the two lines meet is your tax. Enter on Form 1040, line 35. The \$2,300 zero bracket amount and your deduction for exemptions have been taken into account in figuring the tax shown in this table. Do not take a separate deduction for them.

Caution: If you can be claimed as a dependent on your parent's return AND you have unearned income (interest, dividends, etc.) of \$1,000 or more AND your earned income is less than \$2,300, you must first use Schedule TC (Form 1040), Part II.

Table with 12 columns: Form 1040, line 34 (Over, But not over), And the total number of exemptions claimed on line 7 (1, 2, 3), Your tax is—, and similar columns for other exemption counts.

Continued next column

Continued next column

Continued on next page

1979 Tax Table C—MARRIED FILING SEPARATE RETURN (Filing Status Box 3)

(Continued) (If your income or exemptions are not covered, use Schedule TC (Form 1040), Part I to figure your tax.)

Table with columns for income/exemption ranges (e.g., 10,800 to 11,000) and rows for tax amounts (1, 2, 3) and over/not over status. Includes sub-headers for 'And the total number of exemptions claimed' and 'Year tax is—'.

Continued next column

1979 Tax Table C—MARRIED FILING SEPARATE RETURN (Filing Status Box 3)

(For married persons filing separate returns with income of \$20,000 or less on Form 1040, line 34, who claim 3 or fewer exemptions)

To find your tax: Read down the income column until you find your income as shown on Form 1040, line 34. Read across to the column headed by the total number of exemptions claimed on Form 1040, line 7. The amount shown where the two lines meet is your tax. Enter on Form 1040, line 35. The \$1,700 zero bracket amount and your deduction for exemptions have been taken into account in figuring the tax shown in this table. Do not take a separate deduction for them.

Caution: If your taxable income (after adjustments) is less than \$1,700 (or if you can be claimed as a dependent on someone else's return), you must first use Schedule TC (Form 1040), Part II, to figure your income tax, and then add the tax shown in this table to the tax on your parents' return AND you have unused exemptions are less than \$1,700 (or if you can be claimed as a dependent on someone else's return), you must first use Schedule TC (Form 1040), Part II.

Table with columns for income/exemption ranges (e.g., 2,700 to 3,000) and rows for tax amounts (1, 2, 3) and over/not over status. Includes sub-headers for 'And the total number of exemptions claimed' and 'Year tax is—'.

Continued next column

1979 Tax Table D—HEAD OF HOUSEHOLD (Filing Status Box 4)

(For unmarried (including certain married persons who live apart and abandoned spouses) or legally separated persons who qualify as heads of households with income of \$20,000 or less on Form 1040, line 34, who claim 8 or fewer exemptions.)

To find your tax, first find your taxable income on line 34, then go down the column headed "Your tax" to the row that shows your taxable income. Then go across the row to the column headed "Your tax" to find your tax. Do not take a separate deduction for them.

Table with columns for tax amounts (e.g., 3,300, 3,350, 3,400) and exemption counts (1-8). Includes sub-headers for 'If Form 1040, line 34, But not over' and 'And the total number of exemptions claimed on line 7 is—'.

Continued next column

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1979 Tax Table D—HEAD OF HOUSEHOLD (Filing Status Box 4)

(If your income or exemptions are not covered, use Schedule TC Form 1040, Part 1 to figure your tax.)

Table with columns for tax amounts (e.g., 5,500, 5,550, 5,600) and exemption counts (1-8). Includes sub-headers for 'If Form 1040, line 34, But not over' and 'And the total number of exemptions claimed on line 7 is—'.

Continued next column

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1979 Tax Table D—HEAD OF HOUSEHOLD (Filing Status Box 4)

(Continued)

If your income or exemptions are not covered, use Schedule TC (Form 1040) Part I to figure your tax.

If Form 1040, line 34, over—	But not over—	And the total number of exemptions claimed on line 7 is—								If Form 1040, line 34, over—	But not over—	And the total number of exemptions claimed on line 7 is—																	
		1	2	3	4	5	6	7	8			1	2	3	4	5	6	7	8										
14,500	14,550	1,232	1,282	1,332	1,382	1,432	1,482	1,532	1,582	17,300	17,350	2,621	2,671	2,721	2,771	2,821	2,871	2,921	2,971	17,700	17,750	2,925	2,975	3,025	3,075	3,125	3,175	3,225	3,275
14,550	14,600	1,234	1,284	1,334	1,384	1,434	1,484	1,534	1,584	17,350	17,400	2,623	2,673	2,723	2,773	2,823	2,873	2,923	2,973	17,750	17,800	2,927	2,977	3,027	3,077	3,127	3,177	3,227	3,277
14,600	14,650	1,236	1,286	1,336	1,386	1,436	1,486	1,536	1,586	17,400	17,450	2,625	2,675	2,725	2,775	2,825	2,875	2,925	2,975	17,800	17,850	2,931	2,981	3,031	3,081	3,131	3,181	3,231	3,281
14,650	14,700	1,238	1,288	1,338	1,388	1,438	1,488	1,538	1,588	17,450	17,500	2,627	2,677	2,727	2,777	2,827	2,877	2,927	2,977	17,850	17,900	2,935	2,985	3,035	3,085	3,135	3,185	3,235	3,285
14,700	14,750	1,240	1,290	1,340	1,390	1,440	1,490	1,540	1,590	17,500	17,550	2,629	2,679	2,729	2,779	2,829	2,879	2,929	2,979	17,900	17,950	2,939	2,989	3,039	3,089	3,139	3,189	3,239	3,289
14,750	14,800	1,242	1,292	1,342	1,392	1,442	1,492	1,542	1,592	17,550	17,600	2,631	2,681	2,731	2,781	2,831	2,881	2,931	2,981	17,950	18,000	2,943	2,993	3,043	3,093	3,143	3,193	3,243	3,293
14,800	14,850	1,244	1,294	1,344	1,394	1,444	1,494	1,544	1,594	17,600	17,650	2,633	2,683	2,733	2,783	2,833	2,883	2,933	2,983	18,000	18,050	2,947	2,997	3,047	3,097	3,147	3,197	3,247	3,297
14,850	14,900	1,246	1,296	1,346	1,396	1,446	1,496	1,546	1,596	17,650	17,700	2,635	2,685	2,735	2,785	2,835	2,885	2,935	2,985	18,050	18,100	2,949	2,999	3,049	3,099	3,149	3,199	3,249	3,299
14,900	14,950	1,248	1,298	1,348	1,398	1,448	1,498	1,548	1,598	17,700	17,750	2,637	2,687	2,737	2,787	2,837	2,887	2,937	2,987	18,100	18,150	2,951	3,001	3,051	3,101	3,151	3,201	3,251	3,301
14,950	15,000	1,250	1,300	1,350	1,400	1,450	1,500	1,550	1,600	17,750	17,800	2,639	2,689	2,739	2,789	2,839	2,889	2,939	2,989	18,150	18,200	2,953	3,003	3,053	3,103	3,153	3,203	3,253	3,303
15,000	15,050	1,252	1,302	1,352	1,402	1,452	1,502	1,552	1,602	17,800	17,850	2,641	2,691	2,741	2,791	2,841	2,891	2,941	2,991	18,200	18,250	2,955	3,005	3,055	3,105	3,155	3,205	3,255	3,305
15,050	15,100	1,254	1,304	1,354	1,404	1,454	1,504	1,554	1,604	17,850	17,900	2,643	2,693	2,743	2,793	2,843	2,893	2,943	2,993	18,250	18,300	2,957	3,007	3,057	3,107	3,157	3,207	3,257	3,307

(Note: The table continues with many more rows of tax data.)

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1979 Tax Rate Schedules

If you cannot use one of the Tax Tables, figure your tax on the amount on Schedule TC, Part I, line 3, by using the appropriate Tax Rate Schedule on this page. Enter the tax on Schedule TC, Part I, line 4.

Note: Your new zero bracket amount has been built into these Tax Rate Schedules.

SCHEDULE X—Single Taxpayers				SCHEDULE Y—Married Taxpayers and Qualifying Widows and Widowers				SCHEDULE Z—Heads of Household (including certain married persons who live apart (and abandoned spouses)—see page 7 of the Instructions)							
Use this schedule if you checked Filing Status Box 1 on Form 1040—				Use this schedule if you checked Filing Status Box 2 or 5 on Form 1040—				Use this schedule if you checked Filing Status Box 4 on Form 1040—							
If the amount on Schedule TC, Part I, line 3, is:		Enter on Schedule TC, Part I, line 4:		If the amount on Schedule TC, Part I, line 3, is:		Enter on Schedule TC, Part I, line 4:		If the amount on Schedule TC, Part I, line 3, is:		Enter on Schedule TC, Part I, line 4:					
Not over \$2,300..... 0				Not over \$3,400..... 0				Not over \$1,700..... 0				Not over \$2,300..... 0			
Over—	But not over—	of the amount over—		Over—	But not over—	of the amount over—		Over—	But not over—	of the amount over—		Over—	But not over—	of the amount over—	
\$2,300	\$3,400	\$2,300		\$3,400	\$5,500	\$3,400	14%	\$1,700	\$2,750	\$1,700	14%	\$2,300	\$4,400	\$2,300	
\$4,400	\$6,500	\$4,400	\$154+16%	\$5,500	\$7,600	\$5,500	\$294+16%	\$2,750	\$3,800	\$2,750	\$147.00+16%	\$4,400	\$6,500	\$4,400	\$294+16%
\$6,500	\$8,600	\$6,500	\$314+18%	\$7,600	\$11,900	\$7,600	\$630+18%	\$3,800	\$5,950	\$3,800	\$315.00+18%	\$6,500	\$8,700	\$6,500	\$630+18%
\$8,600	\$10,800	\$8,600	\$692+19%	\$11,900	\$16,000	\$11,900	\$1,404+21%	\$5,950	\$8,000	\$5,950	\$702.00+21%	\$8,600	\$11,800	\$8,600	\$1,026+22%
\$10,800	\$12,900	\$10,800	\$1,072+21%	\$16,000	\$20,200	\$16,000	\$2,263+24%	\$8,000	\$10,100	\$8,000	\$1,132.50+24%	\$10,800	\$15,000	\$10,800	\$1,708+24%
\$12,900	\$15,000	\$12,900	\$1,525+24%	\$20,200	\$24,600	\$20,200	\$3,273+28%	\$10,100	\$12,300	\$10,100	\$1,636.50+28%	\$15,000	\$18,200	\$15,000	\$2,478+26%
\$15,000	\$17,100	\$15,000	\$1,959+26%	\$24,600	\$29,900	\$24,600	\$4,505+32%	\$12,300	\$14,950	\$12,300	\$2,252.50+32%	\$18,200	\$23,500	\$18,200	\$3,308+31%
\$17,100	\$19,200	\$17,100	\$2,605+30%	\$29,900	\$35,200	\$29,900	\$6,201+37%	\$14,950	\$17,600	\$14,950	\$3,100.50+37%	\$23,500	\$28,800	\$23,500	\$4,951+38%
\$19,200	\$21,300	\$19,200	\$3,565+34%	\$35,200	\$45,800	\$35,200	\$8,162+43%	\$17,600	\$22,900	\$17,600	\$4,081.00+43%	\$28,800	\$34,100	\$28,800	\$6,859+42%
\$21,300	\$23,400	\$21,300	\$4,934+44%	\$45,800	\$60,000	\$45,800	\$12,720+49%	\$22,900	\$30,000	\$22,900	\$6,360.00+49%	\$34,100	\$44,700	\$34,100	\$9,083+45%
\$23,400	\$25,500	\$23,400	\$6,749+49%	\$60,000	\$85,600	\$60,000	\$19,678+54%	\$30,000	\$42,800	\$30,000	\$9,839.00+54%	\$44,700	\$60,600	\$44,700	\$13,961+54%
\$25,500	\$27,600	\$25,500	\$9,199+54%	\$85,600	\$109,400	\$85,600	\$33,502+59%	\$42,800	\$54,700	\$42,800	\$16,751.00+59%	\$60,600	\$81,800	\$60,600	\$22,547+59%
\$27,600	\$29,700	\$27,600	\$12,392+59%	\$109,400	\$162,400	\$109,400	\$47,944+64%	\$54,700	\$81,200	\$54,700	\$23,772.00+64%	\$81,800	\$108,300	\$81,800	\$35,053+63%
\$29,700	\$31,800	\$29,700	\$16,444+64%	\$162,400	\$215,400	\$162,400	\$81,464+68%	\$81,200	\$107,700	\$81,200	\$40,732.00+68%	\$108,300	\$151,750	\$108,300	\$51,750+68%
\$31,800	\$33,900	\$31,800	\$22,697+68%	\$215,400	\$311,704	\$215,400	\$117,504+70%	\$107,700	\$151,700	\$107,700	\$58,752.00+70%	\$151,750	\$208,300	\$151,750	\$87,790+70%

Missouri

Columbia, 874-4040
 Jefferson City, 635-9141
 Joplin, 781-8500
 Kansas City, 474-0350
 St. Joseph, 364-3111
 St. Louis, 342-1040
 Springfield, 887-5000
 Elsewhere in Missouri, 800-392-4200

Montana

Helena, 443-2320
 Elsewhere in Montana,
 1-800-332-2275

Nebraska

Lincoln, 477-6081
 Omaha, 422-1500
 Elsewhere in Nebraska, 800-642-9960

Nevada

Las Vegas, 385-6291
 Reno, 784-5521
 Elsewhere in Nevada, 800-492-6552

New Hampshire

Portsmouth, 436-8810
 Elsewhere in New Hampshire,
 1-800-582-7200

New Jersey

Camden, 966-7333
 Hackensack, 646-1919
 Jersey City, 622-0600
 Newark, 622-0600
 Paterson, 279-9400
 Trenton, 394-7113
 Elsewhere in New Jersey,
 800-242-6750

New Mexico

Albuquerque, 243-8641
 Elsewhere in New Mexico,
 1-800-527-3880

New York

Albany District
 (Eastern Upstate New York)
 Albany, 449-3120
 Poughkeepsie, 452-7800
 Elsewhere in Eastern Upstate New
 York, 1-800-342-3700

Brooklyn District

Brooklyn, 596-3770
 Nassau, 294-3600
 Queens, 596-3770
 Suffolk, 724-5000

Buffalo District

(Central and Western New York)
 Buffalo, 855-3955
 Rochester, 263-6770
 Syracuse, 425-8111
 Elsewhere in Central and Western New
 York, 1-800-462-1560

Manhattan District

Bronx, 732-0100
 Manhattan, 732-0100
 Rockland County, 352-8900
 Staten Island, 732-0100
 Westchester County, 997-1510

North Carolina

Charlotte, 372-7750
 Greensboro, 274-3711
 Raleigh, 828-6278
 Winston-Salem, 761-1622
 Elsewhere in North Carolina,
 800-822-8800

North Dakota

Fargo, 293-0650
 Elsewhere in North Dakota,
 800-342-4710

Ohio

Cleveland District
 Akron, 253-1141
 Canton, 455-6781
 Cleveland, 522-3000
 Toledo, 295-3730
 Youngstown, 746-1811
 Elsewhere in Northern Ohio,
 1-800-362-9050

Cincinnati District

Cincinnati, 621-6281
 Columbus, 228-0520
 Dayton, 228-0557
 Elsewhere in Southern Ohio,
 1-800-582-1700

Oklahoma

Oklahoma City, 272-9531
 Tulsa, 583-5121
 Elsewhere in Oklahoma,
 1-800-962-3456

Oregon

Eugene, 485-8285
 Medford, 779-3375
 Portland, 221-3960
 Salem, 581-8720
 Elsewhere in Oregon, 800-452-1980

Pennsylvania

Allentown, 437-6966
 Bethlehem, 437-6966
 Erie, 453-5671
 Harrisburg, 783-8700
 Philadelphia, 574-9900
 Pittsburgh, 281-0112
 Elsewhere in area codes 215 and 717,
 call 800-462-4000
 Elsewhere in area codes 412 and 814,
 call 800-242-0250

Rhode Island

Providence, 274-1040
 Elsewhere in Rhode Island,
 1-800-662-5055

South Carolina

Charleston, 722-1601
 Columbia, 799-1040
 Greenville, 242-5434
 Elsewhere in South Carolina,
 1-800-241-3868

South Dakota

Aberdeen, 225-9112
 Elsewhere in South Dakota,
 800-592-1870

Tennessee

Chattanooga, 892-3010
 Knoxville, 637-0190
 Memphis, 522-1250
 Nashville, 259-4601
 Elsewhere in Tennessee,
 1-800-342-8420

Texas

Austin, 472-1974
 Beaumont, 835-5076
 Corpus Christi, 888-9431
 Dallas, 742-2440
 El Paso, 532-6116
 Ft. Worth, 335-1370
 Houston, 965-0440
 Lubbock, 747-4361
 San Antonio, 229-1700
 Waco, 752-6535
 Wichita Falls, 723-6702
 Elsewhere in Texas, 1-800-492-4830

Utah

Salt Lake City, 524-4060
 Elsewhere in Utah, 1-800-662-5370

Vermont

Burlington, 658-1870
 Elsewhere in Vermont,
 1-800-642-3110

Virginia

Baileys Crossroads (Northern Virginia),
 557-9230
 Chesapeake, 461-3770
 Norfolk, 461-3770
 Portsmouth, 461-3770
 Richmond, 649-2361
 Virginia Beach, 461-3770
 Elsewhere in Virginia, 800-552-9500

Washington

Everett, 259-0861
 Seattle, 442-1040
 Spokane, 456-8350
 Tacoma, 383-2021
 Elsewhere in Washington,
 800-732-1040

West Virginia

Charleston, 345-2210
 Huntington, 523-0213
 Parkersburg, 485-1601
 Wheeling, 233-4210
 Elsewhere in West Virginia,
 1-800-642-1931

Wisconsin

Milwaukee, 271-3780
 Elsewhere in Wisconsin, 800-452-9100

Wyoming

Call 1-800-525-6060

Telephone Assistance Services for
 Deaf/Hearing Impaired Taxpayers
 Who Have Access to TV—phone/
 Teletypewriter Equipment.
 Hours of Operation
 8:30 A.M. to 6:45 P.M. EST
 Indiana residents, 1-800-382-4059
 Elsewhere in contiguous, U.S.,
 1-800-428-4732

How To Get Forms

Generally, we mail forms and schedules directly to you based on what seems to be right for you. Schedules and forms you may need are listed below. You can get them from any Internal Revenue Service office, at many banks and post offices, or by using the order blank on page 51.

Schedule A for itemized deductions

Schedule B for dividends and other distributions on stock if more than \$400, for interest income if more than \$400, and for answering the Foreign Accounts or Foreign Trust Questions

Schedule C for income from a personally owned business
Schedule D for income from the sale or exchange of capital assets

Schedule E for income from pensions, annuities, rents, royalties, partnerships, estates, trusts, etc.

Schedule F for income from farming

Schedule G for income averaging

Schedules R&RP credit for the elderly

Schedule SE for reporting net earnings from self-employment

Schedule TC for tax computation if Tax Tables are not used

Form 5695, Energy Credits

These forms are available only at Internal Revenue Service offices:

- Form 1040-ES to make estimated tax payments
- Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer
- Form 2106, Employee Business Expenses
- Form 2120, Multiple Support Declaration
- Form 2210, Underpayment of Estimated Tax by Individuals
- Form 2440, Disability Income Exclusion
- Form 2441, Credit for Child and Dependent Care Expenses
- Form 2555, Deduction from, or Exclusion of, Income Earned Abroad
- Form 3468, Computation of Investment Credit
- Form 3903, Moving Expense Adjustment

Take Stock
in America



Buy U.S. Savings Bonds

Where you work or bank

Where to Send Your Order for Free Forms and Publications.

Please send your order to the "Forms Distribution Center" for your State. If there is more than one Center for your State, send the order to the Center nearest you.

- Alabama—Caller No. 848, Atlanta, GA 30301
- Alaska—P.O. Box 12626, Fresno, CA 93778
- Arizona—P.O. Box 12626, Fresno, CA 93778
- Arkansas—P.O. Box 2924, Austin, TX 78769
- California—P.O. Box 12626, Fresno, CA 93778
- Colorado—P.O. Box 2924, Austin, TX 78769
- Connecticut—P.O. Box 1040, Wilmington, MA 01887
- Delaware—P.O. Box 25866, Richmond, VA 23260
- District of Columbia—P.O. Box 25866, Richmond, VA 23260
- Florida—Caller No. 848, Atlanta, GA 30301
- Georgia—Caller No. 848, Atlanta, GA 30301
- Hawaii—P.O. Box 12626, Fresno, CA 93778
- Idaho—P.O. Box 12626, Fresno, CA 93778
- Illinois—P.O. Box 24711, Kansas City, MO 64131
- Indiana—P.O. Box 636, Florence, KY 41042
- Iowa—P.O. Box 24711, Kansas City, MO 64131
- Kansas—P.O. Box 2924, Austin, TX 78769
- Kentucky—P.O. Box 636, Florence, KY 41042
- Louisiana—P.O. Box 2924, Austin, TX 78769
- Maine—P.O. Box 1040, Wilmington, MA 01887
- Maryland—P.O. Box 25866, Richmond, VA 23260
- Massachusetts—P.O. Box 1040, Wilmington, MA 01887
- Michigan—P.O. Box 636, Florence, KY 41042
- Minnesota—P.O. Box 24711, Kansas City, MO 64131
- Mississippi—Caller No. 848, Atlanta, GA 30301
- Missouri—P.O. Box 24711, Kansas City, MO 64131
- Montana—P.O. Box 12626, Fresno, CA 93778
- Nebraska—P.O. Box 24711, Kansas City, MO 64131
- Nevada—P.O. Box 12626, Fresno, CA 93778
- New Hampshire—P.O. Box 1040, Wilmington, MA 01887

- New Jersey—P.O. Box 25866, Richmond, VA 23260
- New Mexico—P.O. Box 2924, Austin, TX 78769
- New York—
 - Albany: P.O. Box 1040, Wilmington, MA 01887
 - Buffalo: P.O. Box 240, Buffalo, NY 14201
 - New York City: P.O. Box 1040, Brooklyn, NY 11232
- North Carolina—Caller No. 848, Atlanta, GA 30301
- North Dakota—P.O. Box 24711, Kansas City, MO 64131
- Ohio—P.O. Box 636, Florence, KY 41042
- Oklahoma—P.O. Box 2924, Austin, TX 78769
- Oregon—P.O. Box 12626, Fresno, CA 93778
- Pennsylvania—P.O. Box 25866, Richmond, VA 23260
- Rhode Island—P.O. Box 1040, Wilmington, MA 01887
- South Carolina—Caller No. 848, Atlanta, GA 30301
- South Dakota—P.O. Box 24711, Kansas City, MO 64131
- Tennessee—Caller No. 848, Atlanta, GA 30301
- Texas—P.O. Box 2924, Austin, TX 78769
- Utah—P.O. Box 12626, Fresno, CA 93778
- Vermont—P.O. Box 1040, Wilmington, MA 01887
- Virginia—P.O. Box 25866, Richmond, VA 23260
- Washington—P.O. Box 12626, Fresno, CA 93778
- West Virginia—P.O. Box 636, Florence, KY 41042
- Wisconsin—P.O. Box 24711, Kansas City, MO 64131
- Wyoming—P.O. Box 2924, Austin, TX 78769

Foreign Addresses—Taxpayers with legal residence in foreign countries: If European APO or FPO, send order blank to: Forms Distribution Center, Caller No. 848, Atlanta, GA 30301. If Pacific APO or FPO, send order blank to: IRS, P.O. Box 12626, Fresno, CA 93778. Send letter requests for other forms and publications to: Director, Office of International Operations, Internal Revenue Service, Washington, DC 20225.

Puerto Rico—Director's Representative, U.S. Internal Revenue Service, Federal Office Building, Chardon Street, Hato Rey, PR 00918

Virgin Islands—Department of Finance, Tax Division, Charlotte Amalie, St. Thomas, VI 00801

Order Blank—The forms and publications listed here are available at no cost. We will send you 2 copies of each form and 1 copy of each publication you circle. Please cut the order blank on the dotted line and be sure to write your name and address on the other side. Enclose this order blank in your own envelope and address your envelope to the IRS address shown above for your State or

IRS office nearest your city. To help reduce waste, please order only the forms and publications you think you will need to prepare your return. Attach a separate sheet of paper listing the additional forms you may need which are not listed on the order blank. Be sure to allow 10 days to receive your order through the mail.

Circle Desired Forms and Publications		2555	4684	4972	Pub. 506	Pub. 545
1040	Schedule E (1040)	1040-ES (1980)	3468	4726	Pub. 17	Pub. 521
1040 Instructions & Schedules	Schedule F (1040)	1310	3468	4797	Pub. 54	Pub. 522
1040A	Schedule G (1040)	2106	3903	4797	Pub. 334	Pub. 523
1040A Instructions	Schedule R&RP (1040)	2120	4136	4798	Pub. 501	Pub. 524
Schedules A & B (1040)	Schedule SE (1040)	2210	4137	4835	Pub. 502	Pub. 526
Schedule C (1040)	Schedule TC (1040)	2440	4562	4863	Pub. 503	Pub. 529
Schedule D (1040)	5695	2441	4684	4972	Pub. 504	Pub. 530

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U.S. GOVERNMENT PRINTING OFFICE: 1979-0-233-138
P.L. NUMBER: 92 250 1192

DETACH AT THIS LINE

Do not use the envelope we furnished you in your income tax package because this envelope may be used only for filing your income tax return.

Enter your name and address on this label. It will be used to speed your order for forms to you.

Name _____

Number and street _____

City or town, State and ZIP code _____

Form **1040A** Department of the Treasury—Internal Revenue Service **1979**
U.S. Individual Income Tax Return

Use IRS label. Otherwise, please print or type.

Your first name and initial (if joint return, also give spouse's name and initial) _____ Last name _____ Your social security number _____

Present home address (Number and street, including apartment number, or rural route) _____ Spouse's social security no. _____

City, town or post office, State and ZIP code _____ Your occupation _____

Spouse's occupation _____

Presidential Election Campaign Fund

Do you want \$1 to go to this fund? Yes No **Note: Checking "Yes" will not increase your tax or reduce your refund.**

If joint return, does your spouse want \$1 to go to this fund? Yes No

For Privacy Act Notice, see page 14 of Instructions

Filing Status

1 Single

2 Married filing joint return (even if only one had income)

Check Only One Box.

3 Married filing separate return. Enter spouse's social security number above and full name here _____

4 Head of household. (See page 8 of Instructions.) If qualifying person is your unmarried child, enter child's name _____

Exemptions Always check the box labeled Yourself. Check other boxes if they apply.

5a Yourself 65 or over Blind

b Spouse 65 or over Blind

c First names of your dependent children who lived with you _____ Enter number of boxes checked on 5a and b

d Other dependents: (1) Name _____ (2) Relationship _____ (3) Number of months lived in your home _____ (4) Did dependent have income of \$1,000 or more? Yes No (5) Did you provide more than one-half of dependent's support? Yes No

6 Total number of exemptions claimed _____ Enter number of other dependents Add numbers entered in boxes above

7	Wages, salaries, tips, etc. (Attach Forms W-2. If you do not have a W-2, see page 10 of Instructions)	7
8	Interest income (See pages 4 and 10 of Instructions)	8
9a	Dividends (See pages 4 and 10 of Instructions)	9c
9b	Exclusion Subtract line 9b from 9a	
10a	Unemployment compensation. Total amount received	10b
10b	Taxable part, if any, from worksheet on page 11 of Instructions	
11	Adjusted gross income (add lines 7, 8, 9c, and 10b). If under \$10,000, see page 2 of Instructions on "Earned Income Credit"	11
12a	Credit for contributions to candidates for public office. (See page 11 of Instructions) IF YOU WANT IRS TO FIGURE YOUR TAX, PLEASE STOP HERE AND SIGN BELOW.	12a
12b	Total Federal income tax withheld (if line 7 is more than \$22,900, see page 12 of Instructions)	12b
12c	Earned income credit (from page 2 of Instructions)	12c
13	Total (add lines 12a, b, and c)	13
14a	Tax on the amount on line 11. (See Instructions for line 14a on page 12; then find your tax in the Tax Tables on pages 15-26.)	14a
14b	Advance earned income credit payments received (from Form W-2)	14b
15	Total (add lines 14a and 14b)	15
16	If line 13 is larger than line 15, enter amount to be REFUNDED TO YOU	16
17	If line 15 is larger than line 13, enter BALANCE DUE. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number on check or money order	17

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature _____ Date _____ Spouse's signature (if filing jointly, BOTH must sign even if only one had income) _____

Preparer's signature and date _____ Check if self-employed Preparer's social security no. _____

Firm's name (or yours, if self-employed) and address _____ E.I. No. _____

ZIP code _____

1979

Instructions for preparing Form 1040A

Department of the Treasury
Internal Revenue Service

From the Commissioner

These instructions contain the information you need to complete Form 1040A. Before starting Form 1040A, please check to see if you should file Form 1040 instead. See pages 4 and 5 of the instructions—"Form 1040A or Form 1040?"

Generally, you can file Form 1040A if: you do not itemize deductions; all of your income is from wages, salaries, tips, and unemployment compensation; and you do not have more than \$400 of interest or \$400 of dividends. Also, your income must be \$40,000 or less if you are married filing a joint return, and \$20,000 or less otherwise.

Most of the lines on the form are the same as last year. But changes in the law caused us to add some lines and change others. So please be careful if you use last year's return as a guide.

Recent changes in the tax law, such as a decrease in the tax rates and an increase in the personal exemption from \$750 to \$1,000, have already been figured into the Tax Tables. See Highlights for 1979 on page 3 for a brief summary of this year's changes.

Some taxpayers receiving unemployment compensation may find that part or all of it is taxable. See page 11 of the instructions for further information.

There is no need for you to figure your own tax. The Internal Revenue Service will do it for you. To have the IRS figure your tax, stop after line 12a, sign and date the return, and attach your W-2 Forms. If you file on time

and you owe tax, we will bill you and give you 30 days to pay. If you have a refund coming, we will send it as quickly as if you figured the tax yourself. We will also figure your Earned Income Credit if you are eligible.

If your income is less than \$10,000, you may be able to take the Earned Income Credit. This credit may entitle you to a payment from the government even if you paid no tax. Please read page 2 of the instructions carefully.

If you are eligible for the Earned Income Credit, you may find that you can receive advance payments from your employer throughout the year. If you received advance payments in 1979, report them on line 14b of Form 1040A. If you expect to qualify for the Earned Income Credit in 1980 and want to receive advance payments, file Form W-5 with your employer.

If you need help, please call us at the number listed for your area on page 28 or 29, or visit an IRS office. If you have any suggestions for improvement of our forms or instructions, please write to us at:

Internal Revenue Service
Room 5577
1111 Constitution Avenue, N.W.
Washington, DC 20224

After you complete your return, please check to make sure it is correct, sign it, and then file it early. Thank you for your cooperation.


 Jerome Kurtz
 Commissioner of Internal Revenue

Earned Income Credit

(If your income is less than \$10,000 and you have a child, read this page carefully.)

Note:

If you received any advance earned income credit payments, you must file a tax return. Report these payments on line 14b of Form 1040A. If you expect to answer YES to all of the questions on the right for 1980 and want to receive advance payments of the credit, file Form W-5 with your employer.

If you are not required to file a return but can claim the earned income credit, file Form 1040A to get a refund of your credit.

All you need to do is:

1. Fill in Form 1040A through line 11. Do not check the Presidential Election Campaign Fund box(es).
2. Use the Earned Income Credit Worksheet on this page to figure your credit.
3. Fill in Form 1040A, lines 13 and 16.
4. Sign and date the return.
5. Be sure to attach Copy B of Form(s) W-2.

If you want IRS to figure your earned income credit for you, skip instructions 2. and 3. above, but please provide all the other information requested.

What Does the Earned Income Credit Do?

The earned income credit helps many taxpayers who have small incomes. If you can take the earned income credit, you can subtract it from tax you owe or get a refund even if you had no tax withheld from your pay. The credit can go as high as \$500.

What Is Earned Income?

In most cases, you had earned income if you worked last year. Earned income includes:

- wages, salaries, tips, and
- anything else of value (money, goods, or services) you get from your employer for services you performed.

Note: Members of the clergy who receive a housing allowance (or rental value of a parsonage) as part of their compensation for services as an employee should include that amount on line 1 of the worksheet.

Earned income does not include items such as interest, dividends, social security payments, welfare benefits, or veterans' benefits.

Who Can't Take the Earned Income Credit?

You can't take the earned income credit if:

1. You are Single (Filing Status Box 1); OR
2. You are Married filing a separate return (Filing Status Box 3); OR
3. Your income is \$10,000 or more.

Page 2

To see if you can take the Earned Income Credit, complete Form 1040A through line 11, and answer the questions below.

- | | Yes | No |
|--|--------------------------|--------------------------|
| 1. Is the amount you listed on Form 1040A, line 11, less than \$10,000? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Does the amount on line 11 include any wages, salaries, or other earned income? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Did you have a child who lived with you in the same principal residence in the United States during 1979? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. If you checked Filing Status Box 2 on Form 1040A, did you claim your child as a dependent on Form 1040A, line 5c? | <input type="checkbox"/> | <input type="checkbox"/> |
| OR | | |
| If you checked Filing Status Box 4 on Form 1040A, and your child was married for 1979, did you claim that child as a dependent on Form 1040A, line 5c? | <input type="checkbox"/> | <input type="checkbox"/> |
| OR | | |
| If you checked Filing Status Box 4 on Form 1040A, and your child was unmarried for 1979, did you enter that child's name on Form 1040A, line 4 (or 5c if you claimed that child as a dependent)? | <input type="checkbox"/> | <input type="checkbox"/> |

Note: The term child includes:

- Your son or daughter.
- Your stepchild, adopted child, or a child placed with you by an authorized placement agency for legal adoption (even if the child became your stepchild or adopted child, or was placed with you during the year).
- Any other child whom you cared for as your own child for the whole year, unless the child's natural or adoptive parents provided more than half of the support for that year.

If you want IRS to figure your tax, including the Earned Income Credit, see page 12 of the instructions and do not complete the Earned Income Credit Worksheet.

If you answered NO to any question, you can't take the earned income credit. Do not fill in the worksheet.

If you answered YES to all the questions, you may be able to take the credit. Use the Earned Income Credit Worksheet to figure the amount of any credit.

Earned Income Credit Worksheet

To figure your credit, follow the instructions below.

1. Amount from Form 1040A, line 7.	\$
2. Amount from Form 1040A, line 11.	
3. If line 2 above is not over \$6,000, use the amount on line 1 to find the credit in the table on page 27. Enter the credit here and on Form 1040A, line 12c.	
4. If line 2 above is over \$6,000 use the amount on line 2 to find the credit in the table on page 27. Enter the credit here and on Form 1040A, line 12c.	\$

Do NOT file this worksheet with your return (Keep it for your tax records).

Highlights for 1979 Please note these important changes for this year.

Tax Rates Have Been Decreased and Personal Exemptions Have Been Increased

For most taxpayers, the tax rates have been decreased. The deduction for personal exemptions has been increased from \$750 to \$1,000. This increase also applies to the extra exemptions for age and blindness. These changes have already been figured into the Tax Tables.

Zero Bracket Amounts and Income Levels for Filing Have Been Increased

The Zero Bracket Amounts have been increased. For those who file as Single or Head of household, the amount has been increased from \$2,200 to \$2,300. For Married taxpayers filing jointly, it has been increased from \$3,200 to \$3,400. For Married taxpayers who file separately, it has been increased from \$1,600 to \$1,700. The levels of income for which you must file a return are also higher. See "Who Must File" on this page for the new income levels.

Earned Income Credit Has Been Increased

Both the maximum amount you can earn and the maximum credit you can get have been increased. The

income ceiling for eligibility has been increased from \$8,000 to \$10,000. The credit can now go as high as \$500. For more details, see page 2.

New Advance Earned Income Credit Payments

If you received advance payments of the earned income credit from your employer, you must file a tax return even if your income was below the minimum level for your filing status. If your allowable credit is different from the advance payments you received, your tax liability will increase or decrease accordingly.

Unemployment Compensation May Be Taxable

If you received unemployment compensation payments after December 31, 1978, they may be taxable. See the instructions and worksheet on page 11 for more information.

Political Contributions

The limit for the credit allowed for political contributions has been doubled. For 1979 and future years, you can claim one-half of what you gave, but not more than \$50 (\$100 if you are married filing a joint return).

Who Must File a Tax Return

Your income and your filing status generally determine whether you must file a tax return.

You must file a return for 1979, even if you owe no tax:	And your income was at least:
--	-------------------------------

If you were single (this also means legally separated, divorced, or married with a dependent child and living apart from your spouse for all of 1979) and:

Under 65	\$3,300
65 or over	4,300

If you were married filing a joint return and living with your spouse at the end of 1979 (or on the date your spouse died), and:

Both were under 65	5,400
One was 65 or over	6,400
Both were 65 or over	7,400

If you were married filing a separate return or married but not living with your spouse at the end of 1979

1,000

If you could be claimed as a dependent on your parents' return, and had taxable dividends, interest, or other unearned income of \$1,000 or more

1,000

If you were a qualifying widow(er) with a dependent child and:

Under 65	4,400
65 or over	5,400

(A qualifying widow(er) who is required to file MUST use Form 1040.)

If you were allowed to exclude income from sources within U.S. possessions 1,000

You must file a tax return for 1979 if you were self-employed and your net earnings from this work were at least \$400.

NOTE: Even if your income is less than the amounts shown, you must file a tax return:

- If you received any advance earned income credit payments from your employer during 1979.
- If you owe any taxes, such as FICA (Social Security) on tips you did not report to your employer during 1979.

These rules apply to all U.S. citizens and resident aliens, including those under 21 years of age. They also apply to those nonresident aliens and resident aliens who are married to citizens or residents of the United States at the end of 1979 and file a joint return as discussed on page 7, under Filing Status.

Different rules apply if you were a nonresident alien at any time during 1979 (unless you file a joint return as mentioned above). You may have to file Form 1040NR, U.S. Nonresident Alien Income Tax Return. Also get Publication 519, U.S. Tax Guide for Aliens.

Who Should File a Tax Return

Even if you do not have to file a tax return, you should do so if Federal income tax was withheld from your pay, or if you can take the earned income credit. In either of these cases you may be able to get money back from the government.

When to File Your Tax Return

You should file as soon as you can after January 1, but not later than April 15, 1980. If you file late, you may have to pay penalties and interest. Please see the instructions for Penalties and Interest on page 13.

Page 3

Where to File

Please use the addressed envelope that came with your return. If you do not have an addressed envelope, or if you moved during the year, mail your return to the Internal Revenue Service Center for the place where you live. No street address is needed.

Alabama—Atlanta, GA 31101
Alaska—Ogden, UT 84201
Arizona—Ogden, UT 84201
Arkansas—Austin, TX 73301
California—Fresno, CA 93888
Colorado—Ogden, UT 84201
Connecticut—Andover, MA 05501
Delaware—Philadelphia, PA 19255
District of Columbia—
Philadelphia, PA 19255
Florida—Atlanta, GA 31101
Georgia—Atlanta, GA 31101
Hawaii—Fresno, CA 93888
Idaho—Ogden, UT 84201
Illinois—Kansas City, MO 64999
Indiana—Memphis, TN 37501
Iowa—Kansas City, MO 64999
Kansas—Austin, TX 73301
Kentucky—Memphis, TN 37501
Louisiana—Austin, TX 73301
Maine—Andover, MA 05501
Maryland—Philadelphia, PA 19255

Massachusetts—
Andover, MA 05501
Michigan—Cincinnati, OH 45999
Minnesota—Ogden, UT 84201
Mississippi—Atlanta, GA 31101
Missouri—Kansas City, MO 64999
Montana—Ogden, UT 84201
Nebraska—Ogden, UT 84201
Nevada—Ogden, UT 84201
New Hampshire—
Andover, MA 05501
New Jersey—Holtsville, NY 00501
New Mexico—Austin, TX 73301
New York—New York City and
Counties of Nassau, Rockland,
Suffolk and Westchester—
Holtsville, NY 00501
All Other Counties—
Andover, MA 05501
North Carolina—
Memphis, TN 37501
North Dakota—Ogden, UT 84201
Ohio—Cincinnati, OH 45999
Oklahoma—Austin, TX 73301
Oregon—Ogden, UT 84201
Pennsylvania—
Philadelphia, PA 19255
Rhode Island—Andover, MA 05501
South Carolina—Atlanta, GA 31101
South Dakota—Ogden, UT 84201
Tennessee—Memphis, TN 37501

Texas—Austin, TX 73301
Utah—Ogden, UT 84201
Vermont—Andover, MA 05501
Virginia—Memphis, TN 37501
Washington—Ogden, UT 84201
West Virginia—Memphis, TN 37501
Wisconsin—Kansas City, MO 64999
Wyoming—Ogden, UT 84201

Panama Canal Zone, American
Samoa—Philadelphia, PA 19255
Guam—Commissioner of Revenue
and Taxation, Agaña, GU 96910
Puerto Rico—
Philadelphia, PA 19255
Virgin Islands: Non-permanent
residents—Philadelphia, PA
19255
Virgin Islands: Permanent
residents—Department of
Finance, Tax Division, Charlotte
Amalie, St. Thomas, VI 00801
Foreign country and have an A.P.O.
or F.P.O. address of:
Miami—Atlanta, GA 31101
New York—Holtsville, NY 00501
San Francisco—
Fresno, CA 93888
Seattle—Ogden, UT 84201
South Dakota—Ogden, UT 84201
Foreign country: U.S. citizens—
Philadelphia, PA 19255

Form 1040A or Form 1040?

You Should Be Able to Use Form 1040A If:

- You had only wages, salaries, tips, interest, dividends, and unemployment compensation.
- You did not have more than \$400 in interest or \$400 in dividends. *Exception:* If you had more than \$400 in interest or dividends, you can still use Form 1040A if you are filing only to get a refund of the Earned Income Credit.
- Your total income is \$20,000 or less (\$40,000 or less if you are married filing a joint return).
- You do not itemize your deductions.
- You do not claim adjustments to income.
- You do not claim credits other than the Earned Income Credit or the Political Contributions Credit.

You may WANT TO use Form 1040 and you may pay less tax if:

- You can itemize your deductions.
- You can claim adjustments to income.
- You can claim credits which you can't claim on Form 1040A.

You may HAVE TO use Form 1040 because of:

- The amount or kind of income you receive.
- Your filing status.
- The number of exemptions you claim.
- Forms or schedules you file, or other taxes that can be reported only on Form 1040.

Page 4

You Must Use Form 1040 If:

Amount of Income

- Your total income is more than \$20,000 (more than \$40,000 if married and filing a joint return).
- You received more than \$400 in interest, or \$400 in dividends. *Exception:* If you had more than \$400 in interest or dividends, you can still use Form 1040A if you are filing only to get a refund of the Earned Income Credit.

• You are required to complete Part III of Schedule B (Form 1040) because:

- At any time during the year you had an interest in or signature or other authority over a bank account, securities account, or other financial account in a foreign country.
- You were a grantor of or a transferor to a foreign trust that existed during 1979.

Kinds of Income

You had income other than wages, salaries, tips, interest, dividends, and unemployment compensation. Examples are:

- Income from self-employment (including farming).
- Gain from the sale of your home or other property, or capital gain distributions.
- Pensions or annuities, including lump-sum distributions.
- Alimony.

Number of Exemptions

You claim:

- 4 or more exemptions and are single or married filing a separate return.
- 9 or more exemptions and are a head of household.
- 10 or more exemptions and are married filing a joint return.

Filing Status

• Your spouse files a separate return and itemizes deductions. *Exception:* You can still use Form 1040A if you have a dependent child and can meet the tests on page 8 under **Married Persons Who Live Apart (and Abandoned Spouses)**.

- You can be claimed as a dependent on your parents' return and had interest, dividends, or other unearned income of \$1,000 or more, AND you had wages, salaries, or other earned income of less than:
 - \$2,300 if you are single, or
 - \$1,700 if you are married and filing a separate return.

• You are a qualifying widow(er) with a dependent child. (This filing status permits you to use lower tax rates.) If your spouse died in 1977 or 1978 and you did not remarry before the end of 1979, you can use this filing status if you meet all of the following tests:

- You could have filed a joint return with your spouse for the year your spouse died.
 - Your dependent child or stepchild lived with you.
 - You paid over half the cost of keeping up the home for this child for the whole year.
- You were a nonresident alien during any part of 1979 and do not file a joint return.
 - You were married to a nonresident alien at the end of 1979 who had U.S. source income and you do not file a joint return. *Exception:* You can still use Form 1040A if you meet the tests on page 8 under **Married Persons Who Live Apart (and Abandoned Spouses)**.

Itemized Deductions

You itemize deductions. Examples are:

- Payments for medical insurance and medical and dental care which are more than 3% of your adjusted gross income.
- Interest on loans and mortgages.
- Local, State, and real estate taxes.
- Gifts to churches, charities, Cancer Society, Red Cross, United Way, and similar organizations.
- Union dues, safety helmets, tools, professional journals, or other materials used in your job.
- Net personal casualty or theft loss which is more than \$100.

Here Is a Test to Help You Decide Whether to Itemize
You should itemize if your deductions are more than:

- \$3,400 and you are Married, filing a joint return, or a Qualifying widow(er) with a dependent child.
- \$1,700 and you are Married and filing a separate return.
- \$2,300 and you are either Single or a Head of household.

Other Forms

You file any of these forms:

- Form 1040-ES, Declaration of Estimated Tax for Individuals, for 1979 (or if you want to apply any part of your 1979 overpayment to estimated tax for 1980).
- Schedule G (Form 1040), Income Averaging.
- Form 2210, Underpayment of Estimated Tax by Individuals.
- Form 2555, Deduction from, or Exclusion of, Income Earned Abroad.
- Form 4563, Exclusion of Income from Sources in United States Possessions.
- Form 4868, Application for Extension of Time to File U.S. Individual Income Tax Return.

Other Taxes

You owe any of these taxes:

- Uncollected employee social security (FICA) tax on tips shown on your Form W-2.
- Social security (FICA) tax on tips if you received more than \$20 in any month and you did not report all of them to your employer (Form 4137).
- Tax on an individual retirement arrangement (IRA) (Form 5329).

Adjustments to Income

You claim adjustments to income. Examples are:

- Moving expenses due to a change in jobs (Form 3903 or Form 3903F).
- Employee business expenses such as travel (Form 2106).
- Payments to an individual retirement arrangement (IRA).
- Interest penalty on early withdrawal of savings.
- Alimony paid.
- Disability income exclusion (Form 2440).

Tax Credits

You claim any of these tax credits:

- Credit for the elderly if you are 65 or over, or under 65 with a pension from a Federal, State, etc. retirement plan (Schedules R and RP).
- Credit for child and dependent care expenses (Form 2441).
- Investment credit (Form 3468).
- Refundable business energy investment credit (Schedule B (Form 3468)).
- Foreign tax credit (Form 1116).
- WIN credit (Form 4874).
- Jobs credit (Form 5884).
- Credit for Federal tax on special fuels, nonhighway gasoline, and lubricating oils (Form 4136).
- Credit or refund for Federal tax on gasoline, diesel fuel, and special fuels used in qualified taxicabs (Form 4136-T).
- Credit for taxes paid by a regulated investment company (Form 2439).
- Credit for residential energy saving items (Form 5695).

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Form **1040A** Department of the Treasury—Internal Revenue Service **1979**
U.S. Individual Income Tax Return

Use IRS label. Otherwise, please print or type.

Your first name and initial (if joint return, also give spouse's name and initial) **John T. + Mary** Last name **Brown** Your social security number **516 04 1492**
 Present home address (Number and street, including apartment number, or rural route) **885 Scott Street** Spouse's social security no. **575 10 1776**
 City, town or post office, State and ZIP code **Hometown, Maryland 01234** Your occupation **Clerk**
 Spouse's occupation **Homemaker**

Presidential Election Campaign Fund Do you want \$1 to go to this fund? **2** Yes No
 If joint return, does your spouse want \$1 to go to this fund? Yes No Note: Checking "Yes" will not increase your tax or reduce your refund.

Filing Status **2** Single
3 Married filing joint return (even if only one had income)
4 Married filing separate return. Enter spouse's social security number above and full name here
 Check Only **3** Head of household. (See page 8 of Instructions.) If qualifying person is your unmarried child, enter child's name
 One Box **3**

Exemptions **4**
 5a Yourself 65 or over Blind
 5b Spouse 65 or over Blind
 5c First names of your dependent children who lived with you **James** Enter number of boxes checked on 5a and b **2**
 Enter number of children listed **1**
 5d Other dependents: (1) Name **SAMPLE** (2) Relationship **DAUGHTER** (3) Did dependent live in your home **Yes** (4) Did dependent receive more than one-half of dependent's support? **Yes** Enter number of other dependents **3**
 Add numbers entered in boxes above **3**
 6 Total number of exemptions claimed **3**

7 Wages, salaries, tips, etc. (Attach Forms W-2. If you do not have a W-2, see page 10 of Instructions.)	7	5	9,000	00
8 Interest income (See pages 4 and 10 of Instructions.)	8	6	80	00
9a Dividends 220 00 (See pages 4 and 10 of Instructions.)	9a		120 00	
9b Exclusion 120 00 Subtract line 9b from 9a	9b		100 00	
10a Unemployment compensation. Total amount received 4,000 00	10a		0	00
10b Taxable part, if any, from worksheet on page 11 of Instructions	10b		0	00
11 Adjusted gross income (add lines 7, 8, 9c, and 10b). If under \$10,000, see page 2 of Instructions on "Earned Income Credit"	11	9	9,180	00
12a Credit for contributions to candidates for public office. (See page 11 of Instructions.)	12a	10		
11 IF YOU WANT IRS TO FIGURE YOUR TAX, PLEASE STOP HERE AND SIGN BELOW.				
12b Total Federal income tax withheld (If line 7 is more than \$22,900, see page 12 of Instructions.)	12b	12	457 00	
12c Earned income credit (from page 2 of Instructions)	12c		103 00	
13 Total (add lines 12a, b, and c)	13		560 00	
14a Tax on the amount on line 11. (See Instructions for line 14a on page 12; then find your tax in the Tax Tables on pages 15-26.)	14a	14	402 00	
14b Advance earned income credit payments received (from Form W-2)	14b	15	58 00	
15 Total (add lines 14a and 14b)	15		460 00	
16 If line 13 is larger than line 15, enter amount to be REFUNDED TO YOU	16		100 00	
17 If line 15 is larger than line 13, enter BALANCE DUE. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number on check or money order.	17	17		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your signature **John T. Brown** **18** 2/15/80 Date Spouse's signature (if filing jointly. BOTH must sign even if only one had income) **Mary Brown** 2-15-80
 Preparer's signature and date Check if self-employed Preparer's social security no.
 Firm's name (or yours, if self-employed) and address E.I. No. ZIP code

Page **6** Form **1040A** (1979)

Here's How to Fill in Form 1040A

(Circled numbers on the sample form on page 6 are keyed to circled numbers in the explanations that follow.)

1 Name, Address, and Social Security Number

Please use the mailing label on the cover of the tax forms package we sent you and correct your name and address, if necessary. If the label is for a joint return and the social security numbers are not listed in the same order as the first names, show the numbers in the correct order. Also show your apartment number if you have one. If you did not receive forms with a label, print or type your name and address in the appropriate block on your return. If you file a joint return and use different last names, please separate the last names with an "and." For example: "Brown and Smith."

If your spouse is a nonresident alien, has no income, and does not have a social security number, please write "NRA" in the block for your spouse's social security number.

If your social security number is wrong on the label, or if you did not receive a label, show your correct number on your return. If you are married, please give social security numbers for both you and your spouse, whether you file joint or separate returns.

If you do not have a social security number, you should get Form SS-5 from a Social Security Administration (SSA) office, post office, or the IRS. File it with your local SSA office early enough to get your number before April 15. If you do not receive a number by then, file your return without it and write "Applied for" in the block for your social security number.

Remember to show your occupation (and that of your spouse, for a joint return) in the space in the upper right corner just below the social security number blocks.

2 Presidential Election Campaign Fund

You may have \$1 go to this fund by checking the Yes box. On a joint return, both of you may choose to have \$1 go to this fund, or both may choose not to. One may choose to have \$1 go to this fund and the other may choose not to.

If you check Yes, it will not change the tax or refund shown on your return.

Do not claim this amount as a credit for contributions to candidates for public office on line 12a.

3 Boxes 1 through 4 Filing Status

Were You Single or Married? Check only one box. Your tax rate depends on the box you check.

Filing Status Box 1 Single

This filing status applies if on December 31, 1979, you were one of the following:

- Not married;
- Separated from your spouse by either divorce or separate maintenance decree (You must follow State law to determine if you are divorced or legally separated.);
- A widow or widower (If your spouse died in 1979 and you had not remarried, see the instructions for Box 2. If your spouse died in 1977 or 1978 and you have a dependent child, read the filing status instructions on page 5 to see if you can file Form 1040 as a Qualifying widow(er) with dependent child and use joint tax rates to lower your tax.); OR
- Married and you do not file a joint return and you meet the tests under Married Persons Who Live Apart (and Abandoned Spouses), explained in the instructions for Box 3.

Filing Status Box 2 Married Filing a Joint Return (even if only one of you had income)

In most cases, married couples will pay less tax if they file a joint return. You must report all income, exemptions, and credits for you and your spouse. Both of you must sign the return, even if only one of you had income.

You and your spouse can file a joint return even if you did not live together for the whole year. Both of you are responsible for any tax due on a joint return, so if one of you does not pay, the other may have to.

If your spouse died in 1979, or in 1980 before filing a return for 1979, write in the signature area "Filing as surviving spouse." Show the date of death in the name and address space. If your spouse died in 1977 or 1978 and you have a dependent child, see the instructions on page 5 under Filing Status to see if you can file Form 1040 as a Qualifying widow(er) with dependent child.

If you decide not to file a joint return and plan to file a separate return, see if you can reduce your tax by meeting the tests described under Married Persons Who Live Apart (and Abandoned Spouses) on page 8. If you can, you should check Box 1 for Single or, if you qualify, Box 4 for Head of household.

Special Rule for Aliens

You may file a joint return with your spouse if, at the end of 1979, you were a nonresident alien married to a citizen or resident of the United States, and you and your spouse agree to be taxed on your combined world-wide income.

For more details, please get Publication 519, U.S. Tax Guide for Aliens.

Note: If you are in doubt about whether to file a joint return or separate returns (discussed on page 8), figure your tax both ways before deciding. If you want us to figure your tax for you, we will do it the way that gives you the smaller tax.

Filing Status Box 3

Married Filing a Separate Return

Some married taxpayers file separate returns because each wants to be responsible for only his or her own tax or wants to receive his or her own refund. Others file separate returns because their total tax may be less than the tax on a joint return.

If you file a separate return, enter your spouse's full name in the space after Box 3 and your spouse's social security number in the block provided. You each report only your own income, exemptions, and credits, and you are responsible only for the tax due on your own return. Both of you must figure your tax the same way. If you itemize your deductions, your spouse must itemize. (In that case, both of you must file Form 1040 instead of Form 1040A.)

Community Property States

Community property States are: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington.

If you and your spouse live in a community property State, you must follow State law to determine what is community income and what is separate income.

For more details, please get **Publication 555, Community Property and the Federal Income Tax.**

Married Persons Who Live Apart (and Abandoned Spouses)

Some married persons can file as Single or as Head of household and take advantage of tax rates that are lower than those for married persons filing separate returns. This means that you may be able to claim the earned income credit. It also means that if your spouse itemizes deductions, you do not have to. You and your spouse can file this way if you both meet the tests.

You should check Box 1 for Single, and lower your taxes, if you meet all of the following tests:

- You file a separate return;
- You paid more than half the cost to keep up your home for 1979;
- Your spouse did not live with you at any time during 1979; and
- For over 6 months of 1979, your home was the principal residence of your child or stepchild whom you can claim as a dependent.

You should check Box 4 for Head of household if your home in test d, above, was the dependent child's principal residence for ALL of 1979. The tax rates for Head of household are even lower than the rates for Single.

Filing Status Box 4

Head of Household

There are special tax rates for a person who can meet the tests for Head of household. These rates are lower than the rates for Single and Married filing a separate return.

Page 8

You may use this filing status only if on December 31, 1979, you were unmarried (including certain married persons who live apart (and abandoned spouses)) or legally separated, and meet test a. or b. below:

- You paid more than half the cost of keeping up a home which was the principal residence of your father or mother whom you can claim as a dependent. (Your parent did not have to live with you.)
- You paid more than half the cost of keeping up the home you lived in and one of the following also lived in all year (except for temporary absences for vacation, school, etc.):

1. Your unmarried child, grandchild, foster child, or stepchild. (This person did not have to be your dependent.)

Note: If you are filing as Head of household because of an unmarried child, grandchild, foster child, or stepchild who is not your dependent, enter that person's name in the space provided on line 4. Enter only one name. If any other person qualifies you for Head of household, no entry is needed.

2. Your married child, grandchild, foster child, or stepchild whom you can claim as a dependent. However, this person does not qualify you if he or she is your dependent under the rules on page 10 for **Dependent Supported by Two or More Taxpayers.**

3. Any other person listed below whom you can claim as a dependent. However, this person does not qualify you if he or she is your dependent under the rules on page 10 for **Dependent Supported by Two or More Taxpayers.**

Grandparent	Stepfather	Son-in-law or, if related by blood:
Brother	Mother-in-law	
Sister	Father-in-law	Uncle
Stepbrother	Brother-in-law	Aunt
Stepsister	Sister-in-law	Nephew
Stepmother	Daughter-in-law	Niece

Note: If you received payments under the Aid to Families with Dependent Children (AFDC) program and used them to pay part of the cost of keeping up this home, you may not count these amounts as furnished by you.

4 Lines 5a through 6 Exemptions Line 5a Boxes For Yourself

Always take one exemption for yourself. Take two exemptions if you were blind or 65 or over. Take three exemptions if you were both blind and 65 or over.

Age and blindness are determined as of December 31. However, if your 65th birthday was on January 1, 1980, you can take the extra exemption for age for 1979.

Proof of Blindness

If you or your spouse is completely blind, attach a statement to this effect. In cases of partial blindness, you must attach to your return each year a certified statement from an eye physician or registered optometrist that:

- you or your spouse cannot see over 20/200 with glasses, or
- the field of view is not more than 20 degrees.

If this eye condition will never improve beyond the standards in a. or b., you may attach a certified opinion to this effect from an examining eye physician. You must attach this certification to your return only once. In later years you can just include a statement referring to it.

Line 5b Boxes

For Your Spouse

You can take exemptions for your spouse if you file a joint return. If you file a separate return, you can take your spouse's exemptions only if your spouse is not filing a return, had no income, and was not the dependent of someone else.

Your spouse's exemptions are like your own. Take one exemption if your spouse was neither blind nor 65 or over. Take two exemptions if blind or 65 or over. Take three exemptions if both blind and 65 or over.

If at the end of 1979 you were divorced or legally separated, you cannot take an exemption for your former spouse. If you were separated by a divorce that is not final (interlocutory decree), you may still take an exemption for your spouse if you file a joint return.

Death of Spouse

If your spouse died during 1979, and you did not remarry before the end of 1979, check the boxes for the exemptions you could have taken for your spouse on the date of death. Please see the instructions for **Death of Taxpayer** on page 13.

Lines 5c and 5d Boxes

Children and Other Dependents

Each person you claim as a dependent has to meet tests a. through e. below:

a. Income

The dependent received less than \$1,000 gross income. (This test does not have to be met for your child who was under 19 or a full-time student at least 5 months of the year. Please see the instructions for **Student Dependent** on this page.)

b. Support

The dependent received over half of his or her support from you, or is treated as receiving over half of his or her support from you under the rules on page 10 for **Children of Divorced or Separated Parents, or Dependent Supported by Two or More Taxpayers.** If you file a joint return, the support can be from either spouse.

Support includes items such as food, a place to live, clothes, medical and dental care, and education. In figuring support, use the actual cost of these items. However, the cost of a place to live is figured at its fair rental value.

Do not include in support items like income and social security taxes, premiums for life insurance, or funeral expenses for a deceased dependent.

You must include capital items such as a car or furniture in figuring total support, but only if these items are actually given to, or purchased by, the dependent for the dependent's use or benefit. Do not include the cost of a capital item such as furniture for the household or for use by persons other than the dependent.

In figuring total support, you must include money the dependent used for his or her own support, even if this money was not taxable (for example, social security benefits, gifts, savings, welfare benefits, etc.). If your child was a student, do not include amounts he or she received as scholarships.

For more information get **Publication 501, Exemptions.**

c. Married Dependent

The dependent did not file a joint return with his or her spouse.

d. Citizenship or Residence

The dependent was a citizen or resident of the United States, a resident of Canada or Mexico, or an alien child adopted by and living with a U.S. citizen in a foreign country.

e. Relationship

The dependent met test 1. or 2. below.

1. Was related to you (or your spouse if you file a joint return) in one of the following ways:

Child	Brother	Stepmother	Sister-in-law
Stepchild	Sister	Stepfather	Daughter-in-law
Mother	Grandchild	Mother-in-law	Son-in-law
Father	Stepbrother	Father-in-law	
Grandparent	Stepsister	Brother-in-law	

or, if related by blood

Uncle	Nephew
Aunt	Niece

2. Was any other person who lived in your home as a member of your household for the whole year.

The term child includes:

- your son, daughter, stepson, stepdaughter;
- a child who lived in your home as a member of your family if placed with you by an authorized placement agency for legal adoption; and
- a foster child who lived in your home as a member of your family for the whole year.

Student Dependent

Even if your child had income of \$1,000 or more, you can claim the child as a dependent if he or she can meet tests b., c., and d. above.

AND

- was enrolled as a full-time student at a school during any 5 months of 1979, or
- took a full-time, on-farm training course during any 5 months of 1979. (The course had to be given by a school or a State, county, or local government agency.)

The school must have a regular teaching staff, course of study, and a regularly enrolled body of students in attendance.

Page 9

The term school includes:

- elementary, junior and senior high schools;
- colleges and universities;
- technical, trade, and mechanical schools; and
- night schools in which the student is enrolled for the number of hours or classes that is considered full-time attendance at a similar day school.

The term school does not include on-the-job training courses or correspondence schools.

Children of Divorced or Separated Parents

If a child's parents together paid more than half of the child's support, the parent who has custody for most of the year can generally take the exemption for that child. But there are exceptions. The parent who does not have custody (or who has the child for the shorter time) may take the exemption if a. or b. below applies.

a. That parent gave at least \$600 toward the child's support in 1979, and the decree of divorce or separate maintenance (or a written agreement between the parents) states he or she can take the exemption, OR

b. That parent gave \$1,200 or more for each child's support in 1979, and the parent who had custody cannot prove that he or she gave more than the other parent gave.

Note: To figure the amount of support, a parent who has remarried and has custody may count the support furnished by the new spouse.

Dependent Supported by Two or More Taxpayers

Sometimes two or more taxpayers together pay more than half of another person's support, but no one alone pays over half of that person's support. One of the taxpayers may claim the person as a dependent if all of the following tests are met:

1. The tests for income, married dependent, citizenship or residence, and relationship discussed on page 9,
2. The taxpayer paid more than 10% of the dependent's support, and
3. The taxpayer attaches to his or her return a signed Form 2120, Multiple Support Declaration, from every other person who paid more than 10% of the support. This form states that the person who signs it will not claim an exemption in 1979 for the person he or she helped to support.

Birth or Death of Dependent

You can take an exemption for a dependent who was born or who died during 1979 if he or she met the tests for a dependent while alive. This means that a baby who lived only a few minutes can be claimed as a dependent.

For more information, please get Publication 501. Exemptions.

Rounding Off to Whole Dollars

You may round off cents to the nearest whole dollar on your return. But, if you do round off, do so for all amounts. You can drop amounts under 50 cents. Increase amounts from 50 to 99 cents to the next dollar. Example: \$1.39 becomes \$1 and \$2.69 becomes \$3.

5 Line 7 Wages, Salaries, Tips, etc.

Enter the total of all the wages shown on your W-2 forms. Report all wages you received even if you don't have a W-2 form. If all your tips are not shown on your W-2 forms, add these amounts in too. For a joint return, add the totals for you and your spouse.

If you lose a W-2 form, ask your employer for a new one. If your employer does not give you a W-2 form by January 31, or if the one you have is not correct, contact your employer as soon as possible. Only your employer can issue your W-2 form or correct it. If you can't get a W-2 form from your employer by February 15, contact an Internal Revenue Service office.

6 Line 8 Interest Income

Enter your total interest income from banks, savings and loan associations, credit unions, and others. Include any interest you received or which was credited to your account so you could withdraw it. (It does not have to be entered in your passbook.) Be sure to include interest on tax refunds.

7 Line 9 Dividends

Show all your ordinary dividends on line 9a. Fill in your exclusion on 9b. Then subtract 9b from 9a and show the difference on 9c.

You can exclude (subtract), on line 9b, up to \$100 of dividends from qualifying domestic corporations.

If both you and your spouse had dividend income from jointly or separately owned stock, you may each subtract up to \$100 of dividend income. Thus, if you are married filing a joint return, you and your spouse may be able to subtract up to \$200 of dividend income. However, neither of you can use any part of the \$100 exclusion not used by the other in the case of stock owned separately.

For example, in our filled-in form on page 6, John Brown had \$200 in dividends and Mary Brown had \$20 on stock they owned separately. Only \$120 may be excluded. If this stock was owned jointly, then John and Mary could exclude \$200 (\$100 each).

Taxable dividends from the following corporations do not qualify for the dividends exclusion:

- a. Foreign corporations, including dividends from controlled foreign corporations.
- b. Exempt organizations (charitable, fraternal, etc.) and exempt farmers' cooperative organizations.
- c. Regulated investment companies, unless the companies have told you how much of the dividends qualify for the exclusion.
- d. Real estate investment trusts (REITs).
- e. Electing small business corporations to the extent the amounts are distributions out of current earnings and profits. For this purpose, current earnings and profits are limited to taxable income for the year.

Note: Earnings from savings and loan associations, building and loan associations, or credit unions are often called dividends, but they are really interest and should be shown on line 8.

8 Lines 10a and 10b Unemployment Compensation

Under prior tax law, unemployment compensation payments were not included in gross income. However, the Revenue Act of 1978 provides that unemployment compensation you receive after 1978 may be subject to Federal income tax under certain conditions.

You should get a statement, on Form 1099-UC, showing the total unemployment compensation paid to you during the year. For payments in 1979, you should receive this statement by January 31, 1980.

Part or all of the unemployment compensation you receive must be included in your income if the total of the unemployment compensation you receive and your other income is more than:

- \$20,000 if you are single (or married, not filing a joint return and did not live with your spouse at any time during the year);
- \$25,000 if you are married and file a joint return; or
- Zero if you are married, not filing a joint return, and lived with your spouse at any time during the year.

Enter on line 10a the amount from Form 1099-UC. To determine if any of the unemployment compensation you received is taxable, please complete the worksheet.

Unemployment Compensation Worksheet

How to Figure Your Taxable Amount. Follow the instructions for each line below.

Check only one box:

- A. Single.
- B. Married filing a joint return.
- C. Married not filing a joint return and lived with your spouse at any time during the year.
- D. Married not filing a joint return and DID NOT live with your spouse at any time during the year.

1. Enter the total of the amounts shown on Form 1040A, lines 7, 8, and 9c.	
2. Enter the total amount of unemployment compensation from Form(s) 1099-UC. Enter this amount on Form 1040A, line 10a.	
3. Add lines 1 and 2 and enter the result here.	
4. Enter: \$20,000 if you checked Box A or D above. \$25,000 if you checked Box B above. -0- if you checked Box C above.	
5. Subtract line 4 from line 3. If zero or less, stop here and enter -0- on Form 1040A, line 10b.	
6. Enter one-half (50%) of the amount on line 5.	
7. Enter the smaller of line 2 or line 6. This is the taxable portion of your unemployment compensation. Enter this amount on Form 1040A, line 10b.	

For example, in our filled-in form, the Browns' taxable unemployment compensation was figured as follows:

Unemployment Compensation Worksheet

How to Figure Your Taxable Amount. Follow the instructions for each line below.

SAMPLE

Check only one box:

- A. Single.
- B. Married filing a joint return.
- C. Married not filing a joint return and lived with your spouse at any time during the year.
- D. Married not filing a joint return and DID NOT live with your spouse at any time during the year.

1. Enter the total of the amounts shown on Form 1040A, lines 7, 8, and 9c.	9,180.00
2. Enter the total amount of unemployment compensation from Form(s) 1099-UC. Enter this amount on Form 1040A, line 10a.	4,000.00
3. Add lines 1 and 2 and enter the result here.	13,180.00
4. Enter: \$20,000 if you checked Box A or D above. \$25,000 if you checked Box B above. -0- if you checked Box C above.	25,000.00
5. Subtract line 4 from line 3. If zero or less, stop here and enter -0- on Form 1040A, line 10b.	
6. Enter one-half (50%) of the amount on line 5.	
7. Enter the smaller of line 2 or line 6. This is the taxable portion of your unemployment compensation. Enter this amount on Form 1040A, line 10b.	

Supplemental unemployment benefits received from a company-financed supplemental unemployment benefit fund are wages and are not considered unemployment compensation for purposes of this computation. Report these benefits on Form 1040A, line 7.

9 Line 11 Adjusted Gross Income

Add the amounts on lines 7, 8, 9c, and 10b. If line 11 is less than \$10,000, you may be eligible for the Earned Income Credit. Please see page 2 of the instructions.

If line 11 is \$20,000 or less (\$40,000 or less if married filing a joint return), please continue.

If line 11 is more than \$20,000 (more than \$40,000 if married filing a joint return) you CANNOT use Form 1040A. You MUST file Form 1040.

10 Line 12a Credit for Contributions to Candidates for Public Office

Add up the amounts you gave to help pay campaign expenses of candidates for public office, to political committees, and to newsletter funds of candidates and elected public officials. If you are filing a separate return, enter HALF the amount you gave, but NOT MORE THAN \$50. If you are married, filing a joint return, enter HALF the amount you gave, but NOT MORE THAN \$100.

Note: This credit cannot be larger than the amount of the tax shown on line 14a.

Do not take this credit for the \$1 or \$2 amount you checked to go to the Presidential Election Campaign Fund.

Page 11

11 IRS Will Figure Your Tax and Your Earned Income Credit if You Qualify

If you want us to, we will figure your tax for you. If you paid too much, we will send you a refund. If you did not pay enough, we will bill you for the balance. You will not be charged interest or penalties if the bill for tax due is paid within 30 days of the notice date, or by the due date for your return, whichever is later. We can do this if:

- You fill in the parts of your return through line 12a that apply to you. The instructions which start on page 7 explain how to fill in your return.
- You use the space between lines 7 and 8 to show your adjusted gross income and your spouse's adjusted gross income separately, if you file a joint return.
- You attach all of your W-2 forms to your Form 1040A.
- You (and your spouse if filing a joint return) sign and date your return and mail it on or before April 15, 1980.

If you do not want IRS to figure your tax, complete the rest of your return as follows:

12 Line 12b Total Federal Income Tax Withheld (Including Excess FICA and RRTA Tax)

Enter the amount of Federal income tax withheld as shown on your W-2 form. If you have more than one W-2 form, add the amounts of income tax withheld. If you are filing a joint return, add the amounts withheld for you and your spouse. You should also add any excess FICA or RRTA tax. This is explained below.

Too much social security (FICA) tax and railroad retirement (RRTA) tax may have been withheld from your wages if you checked Filing Status Box 2 and you had two or more employers in 1979 who together paid you more than \$22,900 in wages. If so, you can add the excess amount to your income tax withheld. If both you and your spouse had two or more employers in 1979, you have to figure this separately for each of you.

Step 1. Add all FICA and RRTA tax withheld by employers from your wages for 1979 (but not more than \$1,403.77 for each employer). * Enter the total here \$

Step 2. Subtract 1,403.77

Step 3. Add this amount to the Federal income tax withheld and enter it on Form 1040A, line 12b \$

* Note: If any one employer withheld more than \$1,403.77, you should ask the employer to refund the excess to you. You cannot claim it on your return. If you included any excess FICA or RRTA tax on line 12b, write "excess FICA" and show the amount to the left of the line 12b entry space.

If you are a railroad employee and if you are adding the excess to your income tax withholding, attach a statement from your employer showing the amount of employee RRTA compensation and the amount of RRTA tax withheld.

13 Line 12c Earned Income Credit

If line 11 is less than \$10,000, see the Earned Income Credit Worksheet and instructions on page 2. You may be entitled to a refundable credit based on your earned income (line 7). If you can take the credit, enter on line 12c the credit from line 3 or 4 of this worksheet, whichever applies.

For example, in our filled-in form, the Browns' earned income credit was figured as follows:

Earned Income Credit Worksheet

To figure your credit, follow the instructions below.	
1. Amount from Form 1040A, line 7.	\$9,000.00
2. Amount from Form 1040A, line 11.	9,180.00
3. If line 2 above is not over \$6,000, use the amount on line 1 to find the credit in the table on page 27. Enter the credit here and on Form 1040A, line 12c.	SAMPLE
4. If line 2 above is over \$6,000 use the amount on line 2 to find the credit in the table on page 27. Enter the credit here and on Form 1040A, line 12c.	\$103.00

14 Line 14a Income Tax

To find your tax, use the appropriate Tax Table. If you checked Form 1040A:

Filing Status Box 1, use Tax Table A (Single) on pages 15-16.

Filing Status Box 2, use Tax Table B (Married Filing Joint Return) on pages 17-21.

Filing Status Box 3, use Tax Table C (Married Filing Separate Return) on pages 22-23.

Filing Status Box 4, use Tax Table D (Head of Household) on pages 24-26.

Instructions for using the Tax Tables are at the beginning of each Table. After you have found the correct tax, enter that amount on line 14a.

The tax shown in the tax tables has been figured so that it already includes your zero bracket amount and your deduction for exemptions.

Note: If your income or exemptions are not covered in the tax table for your filing status, you must file Form 1040 and Schedule TC (Form 1040).

15 Line 14b Advance Earned Income Credit Payments

Enter the total of the Advance Earned Income Credit Payments as shown on your W-2 form(s).

16 Line 16 Your Refund

If line 13 is larger than line 15 Subtract line 15 from line 13 and show the difference on line 16. This is the amount that will be refunded to you.

If line 16 is less than \$1, we will not send you a refund unless you ask for it when you file your return.

If the refund IRS owes you is large, you should see your payroll office about reducing the amount of tax that is withheld from your wages. See **Do You Want More or Less Income Tax Withheld in 1980** on page 14.

Note: If you move after filing your return and you are expecting a refund, you should notify the post office that serves your old address. Also, notify the Internal Revenue Service Center where you filed your return of your address change. This will help in forwarding your check to your new address as soon as possible. Please be sure to include your social security number in any correspondence with the IRS.

17 Line 17 Balance Due IRS

If line 15 is larger than line 13 Subtract line 13 from line 15 and show the difference on line 17. This is the balance you still owe. If line 17 is less than \$1, you do not have to pay.

You may pay by check or money order made payable to "Internal Revenue Service." Please write your social security number on your check or money order and attach it to your return.

If your payment due IRS is large, you should see your payroll office about increasing the amount of tax withheld from your wages. See **Do You Want More or Less Income Tax Withheld in 1980** on page 14.

18 Completing Your Return

Sign and Date Your Return
Form 1040A is not considered a return unless you sign it. Your spouse must also sign if it is a joint return.

Did You Have Someone Else Prepare Your Return?
If you fill in your own return, the space under your signature should remain blank.

If someone prepares your return and does not charge you, that person should not sign your return. Certain others who prepare your return should not sign. For example, your regular, full-time employee or your partner in business does not have to sign. (This list is not all-inclusive.)

Generally, anyone who is paid to prepare your tax return must sign your return and fill in the other blanks in the Paid Preparer's Information area of your return.

If the preparer is self-employed (that is, is not employed by any person or business entity to prepare the return), he or she should check the "self-employed" box in the preparer's section of Form 1040A.

Partners who prepare income tax returns as members of a partnership are considered to be employees for purposes of the income tax return preparer rules only, and should not check the "self-employed" box. The partners are still considered self-employed for self-employment tax purposes.

If you have questions about whether a preparer is required to sign your return, please contact an IRS office.

The person required to sign your return MUST complete the required preparer information and:

- Sign it, by hand, in the space provided for the preparer's signature. (Signature stamps or labels are not acceptable.)
- Give you a copy of your return in addition to the copy to be filed with IRS.

Tax return preparers should be familiar with their responsibilities. Publication 1045, Information for Preparers of Federal Income Tax Returns, lists some of the preparer's other responsibilities and penalties for which he or she may be liable. The publication also contains the regulation citations which govern their work.

General Information

Death of Taxpayer

Did the taxpayer die before filing a return for 1979? If so, the taxpayer's spouse or personal representative must file a return for the person who died. A personal representative can be an executor, administrator, or anyone who is in charge of the taxpayer's property.

If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund.

If your spouse died in 1979 and you did not remarry in 1979, you can file a joint return. You can also file a joint return if your spouse died in 1980 before filing a return for 1979. A joint return should show your spouse's 1979 income before death and your income for all of 1979. Please write "Filing as surviving spouse" in the area where you sign the return. If someone else is the personal representative, he or she must also sign.

Show the date of death in the name and address space of Form 1040A.

If you want more details, please get Publication 559, Tax Information for Survivors, Executors, and Administrators.

Recordkeeping

Keep records of income and credits appearing on your tax return until the statute of limitations runs out for that return. Usually this is 3 years from the date the return was due or filed, or 2 years from the date the tax was paid, whichever is later. Also keep copies of your filed tax returns as part of your records. You should keep some records longer. For example, keep property records (including those on your own home) as long as they are needed to figure the basis of the original or replacement property.

For more details, get Publication 552, Recordkeeping Requirements and a List of Tax Publications.

Penalties and Interest

Late Filing of Return

The law provides a penalty of from 5 percent to 25 percent of the tax due for filing late unless you can show reasonable cause for the delay. If you file a return late, attach a full explanation to your return.

Late Payment of Tax

The penalty for not paying tax when due is 1/2 of 1 percent of the unpaid amount for each month or part of a month it remains unpaid. The maximum penalty is 25 percent of the unpaid amount. The penalty applies to any unpaid tax shown on a return. It also applies to any additional tax shown on a bill that is not paid within 10 days from the date of the bill. This penalty is in addition to the applicable interest charge on late payments.

1979 Tax Table A

Single (Filing Status Box 1)

For single persons with income of \$20,000 or less on Form 1040A, line 11, who claim 3 or fewer exemptions.

To find your tax: Read down the income column until you find your income as shown on Form 1040A, line 11. Then read across the column headed by the total number of exemptions claimed on Form 1040A, line 6.

Table with columns for income (e.g., 3,300, 3,450, 3,600), exemptions (1, 2, 3), and tax amounts. Includes sub-tables for Form 1040A and Form 1040.

Privacy Act Notice

The Privacy Act of 1974 says that each Federal agency that asks you for information must tell you: a. its legal right to ask for the information and whether the law says you must give it.

Our legal right to ask for information is Internal Revenue Code sections 6001 and 6011 and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Code section 6109 and its regulations say that you must show your social security number on what you file. This is so we know who you are, and can process your return and papers.

You must fill in all parts of the tax form that apply to you. But you do not have to check the boxes for the Presidential Election Campaign Fund.

We ask for tax return information to carry out the Internal Revenue laws of the United States. We need it to figure and collect the right amount of tax. We may give the information to the Department of Justice and to other Federal agencies, as provided by law. We may also give it to States, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. And we may give it to foreign governments because of tax treaties they have with the United States.

If a return is not filed, or if we don't receive the information we ask for, the law provides that a penalty may be charged. And we may have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

This is the only notice we must give you to explain the Privacy Act. However, we may give you other notices if we have to examine your return or collect any tax, interest, or penalties.

Interest Interest will be charged on taxes not paid on or before their due date.

Do You Want More or Less Income Tax Withheld in 1980?

If the amount due IRS on line 17, or the refund IRS owes you on line 16, is larger, you should see your payroll office. Ask about filling out a new Form W-4 to change the amount of tax to be withheld from your wages. A working married couple may need to increase the amount of tax withheld from one or both of their wages to avoid owing a large payment when filing their return.

If you go back to work after a period of unemployment, you may reduce the amount of income tax withheld if your employer agrees to use the part year method of withholding. There are also other methods which could reduce your withholding. For more details, see your employer or get Publication 505, Tax Withholding and Estimated Tax.

If you expect your income in 1980 to be less than \$10,000, you may be eligible for advance payment of your earned income credit during 1980. See your payroll office for further information on filing Form W-5, Earned Income Credit Advance Payment Certificate.

Declaration of Estimated Tax

In general, you do not have to file a declaration if you expect that your 1980 tax return will show a tax refund, OR a tax balance due IRS of less than \$100. However, if you file a declaration for 1980, you must use Form 1040 to claim the payments you made.

Please see Form 1040-ES for more details.

Penalty for Not Paying Enough Tax During the Year If line 17 is \$100 or more and more than 20 percent of line 15, file Form 1040 and attach Form 2210. You may owe a penalty unless you meet one or more of the exceptions explained on Form 2210.

Amended Return

Use Form 1040X to change an income tax return you have already filed (Form 1040 or Form 1040A).

If your return is changed for any reason, it may affect your State income tax liability. This would include changes that result from an examination of your return by the IRS. Contact your State tax agency for more information.

1979 Tax Table B

Income as shown on Form 1040A, line 11. Read across to the column headed by the total number of exemptions claimed on Form 1040A, line 6. The amount shown where the two lines meet is the tax to be paid.

For married persons filing joint returns with income of \$40,000 or less on Form 1040A, line 11, who claim 9 or fewer exemptions, the \$3,400 zero bracket amount and your deduction for exemptions have been taken into account in figuring the tax shown in this table. Do not take a separate deduction for them.

Table with columns for 'Your tax is—' (1-9) and 'And the total number of exemptions claimed on line 6 is—' (1-9). Rows represent income levels from 11,100 to 11,950.

1979 Tax Table A/Single (Filing Status Box 1)—Continued

Table with columns for 'Your tax is—' (1-3) and 'And the total number of exemptions claimed on line 6 is—' (1-3). Rows represent income levels from 11,100 to 17,050.

1979 Tax Table B/Married Filing Joint Return (Filing Status Box 2)—Continued

Table with columns for tax amounts (2-9) and exemption counts (1-9). Rows represent income levels from 22,000 to 38,000. Includes sub-headers for 'If Form 1040A, line 11, is—' and 'And the total number of exemptions claimed on line 6 is—'.

1979 Tax Table B/Married Filing Joint Return (Filing Status Box 2)—Continued

Table with columns for tax amounts (2-9) and exemption counts (1-9). Rows represent income levels from 22,000 to 38,000. Includes sub-headers for 'If Form 1040A, line 11, is—' and 'And the total number of exemptions claimed on line 6 is—'.

1979 Tax Table C

Married Filing Separate Return (Filing Status Box 3)

For married persons filing separate returns with income of \$20,000 or less on Form 1040A, line 11, who claim 3 or fewer exemptions...

Table with columns for tax amounts (e.g., 2,700, 2,725, 2,750) and exemption counts (1, 2, 3). It includes instructions for Form 1040A and Form 1040, and a 'Continued on next page' note.

1979 Tax Table C/Married Filing Separate Return (Filing Status Box 3) - Continued

For married persons filing separate returns with income of \$20,000 or less on Form 1040A, line 11, who claim 3 or fewer exemptions...

Continuation of the 1979 Tax Table C, showing tax amounts and exemption counts for Form 1040A and Form 1040. Includes a 'Continued on next page' note.

1979 Tax Table C/Married Filing Separate Return (Filing Status Box 3) - Continued

For married persons filing separate returns with income of \$20,000 or less on Form 1040A, line 11, who claim 3 or fewer exemptions...

Continuation of the 1979 Tax Table C, showing tax amounts and exemption counts for Form 1040A and Form 1040. Includes a 'Continued on next page' note.

1979 Tax Table D
Head of Household (Filing Status Box 4)

(For unmarried (including certain married persons who live apart and abandoned spouses) or legally separated persons who qualify as heads of households with a dependent child under age 17, or for a surviving spouse who claims a dependent child under age 17.)

To find your tax: Read down the income column until you find your income. Then read across to the tax column. If you are entitled to a refund, the amount shown in the refund column is your tax. Enter on Form 1040A, line 14g.

The \$2,300 zero bracket amount and your deduction for exemptions have been taken into account in figuring the tax shown in this table. Do not take a separate deduction for them.

Table with columns for 'Your tax is--' (1-8), 'Over', 'But not over', and 'And the total number of exemptions claimed on line 6 is--' (1-8). Rows include tax amounts and exemption counts.

Continued next column

1979 Tax Table D/Head of Household (Filing Status Box 4)—Continued

Continuation of the tax table, including columns for 'If Form 1040A, line 11, is--' (Over, But not over) and 'And the total number of exemptions claimed on line 6 is--' (1-8). Rows include tax amounts and exemption counts.

Continued on next page

1979 Earned Income Credit Table

(Caution—This is not a tax table)

Read down the column titled "If line 1 or 2 of the worksheet is—" and find the appropriate amount from the Earned Income Credit Worksheet on page 2. Read across to the right and find the amount of your earned income credit. Enter that amount on line 3 or 4 of the worksheet, whichever applies.

If line 1 or 2 of the worksheet is—	If Form 1040A, line 11, is—								If Form 1040, line 11, is—																																																																																																																																																					
	Over	But not over	1	2	3	4	5	6	7	8	Over	But not over	1	2	3	4	5	6	7	8																																																																																																																																										
\$0	\$50	\$3	\$2,250	\$2,300	\$2,350	\$2,400	\$2,450	\$2,500	\$2,550	\$2,600	\$2,650	\$2,700	\$2,750	\$2,800	\$2,850	\$2,900	\$2,950	\$3,000	\$3,050	\$3,100	\$3,150	\$3,200	\$3,250	\$3,300	\$3,350	\$3,400	\$3,450	\$3,500	\$3,550	\$3,600	\$3,650	\$3,700	\$3,750	\$3,800	\$3,850	\$3,900	\$3,950	\$4,000	\$4,050	\$4,100	\$4,150	\$4,200	\$4,250	\$4,300	\$4,350	\$4,400	\$4,450	\$4,500	\$4,550	\$4,600	\$4,650	\$4,700	\$4,750	\$4,800	\$4,850	\$4,900	\$4,950	\$5,000	\$5,050	\$5,100	\$5,150	\$5,200	\$5,250	\$5,300	\$5,350	\$5,400	\$5,450	\$5,500	\$5,550	\$5,600	\$5,650	\$5,700	\$5,750	\$5,800	\$5,850	\$5,900	\$5,950	\$6,000	\$6,050	\$6,100	\$6,150	\$6,200	\$6,250	\$6,300	\$6,350	\$6,400	\$6,450	\$6,500	\$6,550	\$6,600	\$6,650	\$6,700	\$6,750	\$6,800	\$6,850	\$6,900	\$6,950	\$7,000	\$7,050	\$7,100	\$7,150	\$7,200	\$7,250	\$7,300	\$7,350	\$7,400	\$7,450	\$7,500	\$7,550	\$7,600	\$7,650	\$7,700	\$7,750	\$7,800	\$7,850	\$7,900	\$7,950	\$8,000	\$8,050	\$8,100	\$8,150	\$8,200	\$8,250	\$8,300	\$8,350	\$8,400	\$8,450	\$8,500	\$8,550	\$8,600	\$8,650	\$8,700	\$8,750	\$8,800	\$8,850	\$8,900	\$8,950	\$9,000	\$9,050	\$9,100	\$9,150	\$9,200	\$9,250	\$9,300	\$9,350	\$9,400	\$9,450	\$9,500	\$9,550	\$9,600	\$9,650	\$9,700	\$9,750	\$9,800	\$9,850	\$9,900	\$9,950	\$10,000

1979 Tax Table D/Head of Household (Filing Status Box 4)—Continued

If Form 1040A, line 11, is—	And the total number of exemptions claimed on line 6 is—								If Form 1040, line 11, is—	And the total number of exemptions claimed on line 6 is—																																																																																																				
	Over	But not over	1	2	3	4	5	6		7	8	Over	But not over	1	2	3	4	5	6	7	8																																																																																									
14,500	14,550	14,600	14,650	14,700	14,750	14,800	14,850	14,900	14,950	15,000	15,050	15,100	15,150	15,200	15,250	15,300	15,350	15,400	15,450	15,500	15,550	15,600	15,650	15,700	15,750	15,800	15,850	15,900	15,950	16,000	16,050	16,100	16,150	16,200	16,250	16,300	16,350	16,400	16,450	16,500	16,550	16,600	16,650	16,700	16,750	16,800	16,850	16,900	16,950	17,000	17,050	17,100	17,150	17,200	17,250	17,300	17,350	17,400	17,450	17,500	17,550	17,600	17,650	17,700	17,750	17,800	17,850	17,900	17,950	18,000	18,050	18,100	18,150	18,200	18,250	18,300	18,350	18,400	18,450	18,500	18,550	18,600	18,650	18,700	18,750	18,800	18,850	18,900	18,950	19,000	19,050	19,100	19,150	19,200	19,250	19,300	19,350	19,400	19,450	19,500	19,550	19,600	19,650	19,700	19,750	19,800	19,850	19,900	19,950	20,000

To Call IRS Toll-Free for Answers to Your Federal Tax Questions, Use Only the Number Listed Below for Your Area

Caution:

"Toll-free" is a telephone call for which you pay only local charges with no long-distance charge. Please use a local city number only if it is not a long-distance call for you. Otherwise, use the general toll-free number given.

We are happy to answer questions to help you prepare your return. But you should know that you are responsible for the accuracy of your return. If we do make an error, you are still responsible for the payment of the correct tax.

To make sure that courteous and correct answers are given to taxpayers, a

second IRS employee sometimes listens in on telephone calls. No record is kept on any taxpayer's name, address, or social security number.

If you find it necessary to write instead of calling, please address your letter to your IRS District Director for a prompt reply.

Alabama

Birmingham, 252-1155
Decatur, 355-1855
Huntsville, 539-2751
Mobile, 433-5532
Montgomery, 264-8441
Muscle Shoals Area, 767-0301
Tuscaloosa, 758-4434
Elsewhere in Alabama, 800-292-6300

Alaska

Anchorage, 276-1040
Elsewhere in Alaska, call operator and ask for Zenith 3700

Arizona

Phoenix, 257-1233
Tucson, 882-4181
Elsewhere in Arizona, 800-352-6911

Arkansas

Little Rock, 376-4401
Elsewhere in Arkansas,
1-800-482-9350

California

Please call the telephone number shown in the white pages of your local telephone directory under U.S. Government, Internal Revenue Service, Federal Tax Assistance

Colorado

Denver, 825-7041
Elsewhere in Colorado,
1-800-332-2060

Connecticut

Hartford, 249-8251
Elsewhere in Connecticut,
1-800-343-9000

Delaware

Wilmington, 573-6400
Elsewhere in Delaware,
1-800-292-9575

District of Columbia

Call 488-3100

Florida

Fort Lauderdale, 522-0704
Jacksonville, 354-1760
Miami, 358-5072
Orlando, 422-2550
St. Petersburg, 823-7459
Sarasota, 371-4526
Tampa, 223-9741
West Palm Beach, 655-7250
Elsewhere in Florida, 1-800-342-8300

Georgia

Atlanta, 522-0050
Augusta, 724-9946
Columbus, 327-7491
Macon, 746-4993
Savannah, 355-1045
Elsewhere in Georgia, 1-800-222-1040

Hawaii

Hawaii, 935-4895
Oahu, 546-8660
Kauai, 245-2731
Lanai, call operator and ask for Enterprise 8036
Maui, 244-7654*
Molokai, call operator and ask for Enterprise 8034

Idaho

Boise, 336-1040
Elsewhere in Idaho, 800-632-5990

Illinois

Chicago, 435-1040
Elsewhere in area code 312 (except city of Chicago) and residents in Joliet Region Telephone Directory, 800-972-5400

Belleville, 277-5500
Danville, 443-6755
Decatur, 429-5025
East St. Louis, 875-5100
Peoria, 673-0002
Springfield, 789-4220
Elsewhere in all other locations in Illinois,
800-252-2921

Indiana

Evansville, 424-6481
Fort Wayne, 426-8300
Gary, 938-0560
Hammond, 938-0560
Indianapolis, 269-5477
South Bend, 232-3981
Elsewhere in Indiana, 1-800-382-9740

Iowa

Des Moines, 284-4850
Elsewhere in Iowa, 800-362-2600

Kansas

Kansas City, 722-2910
Wichita, 263-2161
Elsewhere in Kansas, 1-800-362-2190

Kentucky

Lexington, 255-2333
Louisville, 584-1361
Northern Kentucky (Covington dialing area), 628-0055
Elsewhere in Kentucky,
1-800-428-9100

Louisiana

Baton Rouge, 387-2206
New Orleans, 581-2440
Elsewhere in Louisiana,
1-800-362-6900

Maine

Augusta, 622-7101
Portland, 775-7401
Elsewhere in Maine, 1-800-452-8750

Maryland

Baltimore, 962-2590
Prince Georges County, 488-3100
Montgomery County, 488-3100
Elsewhere in Maryland,
800-492-0460

Massachusetts

Boston, 523-1040
Elsewhere in Massachusetts,
1-800-392-6288

Michigan

Ann Arbor, 769-9850
Detroit, 237-0800
Flint, 767-8830
Grand Rapids, 774-8300
Mount Clemens, 469-4200
Pontiac, 858-2530
Elsewhere in area code 313, call
1-800-462-0830
Elsewhere in area codes 517, 616, and
906, call 1-800-482-0670

Minnesota

Minneapolis, 291-1422
St. Paul, 291-1422
Elsewhere in Minnesota, 800-652-9062

Mississippi

Biloxi, 868-2122
Gulfport, 868-2122
Jackson, 948-4500
Elsewhere in Mississippi,
1-800-241-3868

Missouri

Columbia, 874-4040
Jefferson City, 635-9141
Joplin, 781-8500
Kansas City, 474-0350
St. Joseph, 364-3111
St. Louis, 342-1040
Springfield, 887-5000
Elsewhere in Missouri, 800-392-4200

Montana

Helena, 443-2320
Elsewhere in Montana,
1-800-332-2275

Nebraska

Lincoln, 477-6081
Omaha, 422-1500
Elsewhere in Nebraska, 800-642-9960

Nevada

Las Vegas, 385-6291
Reno, 784-5521
Elsewhere in Nevada, 800-492-6552

New Hampshire

Portsmouth, 463-8810
Elsewhere in New Hampshire,
1-800-582-7200

New Jersey

Camden, 966-7333
Hackensack, 646-1919
Jersey City, 622-0600
Newark, 622-0600
Paterson, 279-9400
Trenton, 394-7113
Elsewhere in New Jersey,
800-242-6750

New Mexico

Albuquerque, 243-8641
Elsewhere in New Mexico,
1-800-527-3880

New York

Albany District
(Eastern Upstate New York)
Albany, 449-3120
Poughkeepsie, 452-7800
Elsewhere in Eastern Upstate New York, 1-800-342-3700

Brooklyn District

Brooklyn, 596-3770
Nassau, 294-3600
Queens, 596-3770
Suffolk, 724-5000

Buffalo District

(Central and Western New York)
Buffalo, 855-3955
Rochester, 263-6770
Syracuse, 425-8111
Elsewhere in Central and Western New York, 1-800-462-1560

Manhattan District

Bronx, 732-0100
Manhattan, 732-0100
Rockland County, 352-8900
Staten Island, 732-0100
Westchester County, 997-1510

North Carolina

Charlotte, 372-7750
Greensboro, 274-3711
Raleigh, 828-6278
Winston-Salem, 761-1622
Elsewhere in North Carolina,
800-822-8800

North Dakota

Fargo, 293-0650
Elsewhere in North Dakota,
800-342-4710

Ohio

Cleveland District

Akron, 253-1141
Canton, 455-6781
Cleveland, 522-3000
Toledo, 255-3730
Youngstown, 746-1811
Elsewhere in Northern Ohio,
1-800-362-9050

Cincinnati District

Cincinnati, 621-6281
Columbus, 228-0520
Dayton, 228-0557
Elsewhere in Southern Ohio,
1-800-582-1700

Oklahoma

Oklahoma City, 272-9531
Tulsa, 583-5121
Elsewhere in Oklahoma,
1-800-962-3456

Oregon

Eugene, 485-8285
Medford, 779-3375
Portland, 221-3960
Salem, 581-8720
Elsewhere in Oregon, 800-452-1980

Pennsylvania

Allentown, 437-6966
Bethlehem, 437-6966
Erie, 453-5671
Harrisburg, 783-8700
Philadelphia, 574-9900
Pittsburgh, 281-0112
Elsewhere in area codes 215 and 717,
call 800-462-4000
Elsewhere in area codes 412 and 814,
call 800-242-0250

Rhode Island

Providence, 274-1040
Elsewhere in Rhode Island,
1-800-662-5055

South Carolina

Charleston, 722-1601
Columbia, 799-1040
Greenville, 242-5434
Elsewhere in South Carolina,
1-800-241-3868

South Dakota

Aberdeen, 225-9112
Elsewhere in South Dakota,
800-592-1870

Tennessee

Chattanooga, 892-3010
Knoxville, 637-0190
Memphis, 522-1250
Nashville, 259-4601
Elsewhere in Tennessee,
1-800-342-8420

Texas

Austin, 472-1974
Beaumont, 835-5076
Corpus Christi, 888-9431
Dallas, 742-2440
El Paso, 532-6116
Ft. Worth, 335-1370
Houston, 965-0440
Lubbock, 747-4361
San Antonio, 229-1700
Waco, 752-6535
Wichita Falls, 723-6702
Elsewhere in Texas, 1-800-492-4830

Utah

Salt Lake City, 524-4060
Elsewhere in Utah, 1-800-662-5370

Vermont

Burlington, 658-1870
Elsewhere in Vermont,
1-800-642-3110

Virginia

Baileys Crossroads (Northern Virginia),
557-9230
Chesapeake, 461-3770
Norfolk, 461-3770
Portsmouth, 461-3770
Richmond, 649-2361
Virginia Beach, 461-3770
Elsewhere in Virginia, 800-552-9500

Washington

Everett, 259-0861
Seattle, 442-1040
Spokane, 455-8350
Tacoma, 383-2021
Elsewhere in Washington,
800-732-1040

West Virginia

Charleston, 345-2210
Huntington, 523-0213
Parkersburg, 485-1601
Wheeling, 233-4210
Elsewhere in West Virginia,
1-800-642-1931

Wisconsin

Milwaukee, 271-3780
Elsewhere in Wisconsin, 800-452-9100

Wyoming

Call 1-800-525-6060

Telephone Assistance Services for
Deaf/Hearing Impaired Taxpayers
Who Have Access to TV—phone/
Teletypewriter Equipment.
Hours of Operation
8:30 A.M. to 6:45 P.M. EST
Indiana residents, 1-800-382-4059
Elsewhere in contiguous U.S.,
1-800-428-4732

How to Get Forms.

Generally, we mail forms and schedules directly to you based on what seems to be right for you. If you must file Form 1040 instead of Form 1040A, you may use the order blank on page 31 to get the forms and schedules you need. You can also get them from Internal Revenue Service offices and at many banks and post offices.

Where to Send Your Order for Free Forms and Publications.

Send your order to the "Forms Distribution Center" for your State. If there is more than one Center for your State, send the order to the Center nearest you.

Alabama
 Caller No. 848, Atlanta, GA 30301

Alaska
 P.O. Box 12626, Fresno, CA 93778

Arizona
 P.O. Box 12626, Fresno, CA 93778

Arkansas
 P.O. Box 2924, Austin, TX 78769

California
 P.O. Box 12626, Fresno, CA 93778

Colorado
 P.O. Box 2924, Austin, TX 78769

Connecticut
 P.O. Box 1040, Wilmington, MA 01887

Delaware
 P.O. Box 25866, Richmond, VA 23260

District of Columbia
 P.O. Box 25866, Richmond, VA 23260

Florida
 Caller No. 848, Atlanta, GA 30301

Georgia
 Caller No. 848, Atlanta, GA 30301

Hawaii
 P.O. Box 12626, Fresno, CA 93778

Idaho
 P.O. Box 12626, Fresno, CA 93778

Illinois
 P.O. Box 24711, Kansas City, MO 64131

Indiana
 P.O. Box 636, Florence, KY 41042

Iowa
 P.O. Box 24711, Kansas City, MO 64131

Kansas
 P.O. Box 2924, Austin, TX 78769

Kentucky
 P.O. Box 636, Florence, KY 41042

Louisiana
 P.O. Box 2924, Austin, TX 78769

Maine
 P.O. Box 1040, Wilmington, MA 01887

Maryland
 P.O. Box 25866, Richmond, VA 23260

Massachusetts
 P.O. Box 1040, Wilmington, MA 01887

Michigan
 P.O. Box 636, Florence, KY 41042

Minnesota
 P.O. Box 24711, Kansas City, MO 64131

Mississippi
 Caller No. 848, Atlanta, GA 30301

Missouri
 P.O. Box 24711, Kansas City, MO 64131

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Montana
 P.O. Box 12626, Fresno, CA 93778

Nebraska
 P.O. Box 24711, Kansas City, MO 64131

Nevada
 P.O. Box 12626, Fresno, CA 93778

New Hampshire
 P.O. Box 1040, Wilmington, MA 01887

New Jersey
 P.O. Box 25866, Richmond, VA 23260

New Mexico
 P.O. Box 2924, Austin, TX 78769

New York
 Albany: P.O. Box 1040, Wilmington, MA 01887
 Buffalo: P.O. Box 240, Buffalo, NY 14201
 New York City: P.O. Box 1040, Brooklyn, NY 11232

North Carolina
 Caller No. 848, Atlanta, GA 30301

North Dakota
 P.O. Box 24711, Kansas City, MO 64131

Ohio
 P.O. Box 636, Florence, KY 41042

Oklahoma
 P.O. Box 2924, Austin, TX 78769

Oregon
 P.O. Box 12626, Fresno, CA 93778

Pennsylvania
 P.O. Box 25866, Richmond, VA 23260

Rhode Island
 P.O. Box 1040, Wilmington, MA 01887

South Carolina
 Caller No. 848, Atlanta, GA 30301

South Dakota
 P.O. Box 24711, Kansas City, MO 64131

Tennessee
 Caller No. 848, Atlanta, GA 30301

Texas
 P.O. Box 2924, Austin, TX 78769

Utah
 P.O. Box 12626, Fresno, CA 93778

Vermont
 P.O. Box 1040, Wilmington, MA 01887

Virginia
 P.O. Box 25866, Richmond, VA 23260

Washington
 P.O. Box 12626, Fresno, CA 93778

West Virginia
 P.O. Box 636, Florence, KY 41042

Wisconsin
 P.O. Box 24711, Kansas City, MO 64131

Wyoming
 P.O. Box 2924, Austin, TX 78769

Foreign Addresses
 Taxpayers with legal residence in foreign countries: If European APO or FPO, send order blank to: Forms Distribution Center, Caller No. 848, Atlanta, GA 30301. If Pacific APO or FPO, send order blank to: Forms Distribution Center, P.O. Box 12626, Fresno, CA 93778. Send letter requests for other forms and publications to: Director, Office of International Operations, Internal Revenue Service, Washington, DC 20225.

Puerto Rico
 Director's Representative, U.S. Internal Revenue Service, Federal Office Building, Chardon Street, Hato Rey, PR 00918.

Virgin Islands
 Department of Finance, Tax Division, Charlotte Amalie, St. Thomas, VI 00801.

Take Stock
in America



Buy U.S. Savings Bonds

Where you work or bank

Order Blank

The forms and publications listed below are available at no cost. We will send you 2 copies of each form and 1 copy of each publication you circle. Please cut the order blank on the dotted line and be sure to write your name and address on the other side. Enclose this order blank in your own envelope and address your envelope to the IRS address shown on page 30 for your State or IRS office nearest your city. To help reduce

waste, please order only the forms and publications you think you will need to prepare your return. Attach a separate sheet of paper listing the additional forms you may need which are not listed on the order blank. Please allow 10 days to receive your order through the mail.

The items printed in red may be picked up at many banks and post offices.

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Circle Desired Forms and Publications for 1979

(5)

1040	Individual Income Tax Return	Schedule G (1040)	Income Averaging
1040 Instructions	For Form 1040 and Schedules	Schedules R&P (1040)	Credit for the Elderly
1040A	Individual Income Tax Return	Schedule SE (1040)	Computation of Social Security Self-Employment Tax
1040A Instructions	For Form 1040A	Schedule TC (1040)	Tax Computation Schedule
Schedules A&B (1040)	Itemized Deductions AND Dividend and Interest Income	5695	Energy Credits
Schedule C (1040)	Profit or (Loss) From Business or Profession (Sole Proprietorship)	1040-ES	Declaration of Estimated Tax for Individuals (1980)
Schedule D (1040)	Capital Gains and Losses	Pub. 17	Your Federal Income Tax
Schedule E (1040)	Supplemental Income Schedule	Pub. 501	Exemptions
Schedule F (1040)	Farm Income and Expenses	Pub. 553	Highlights of 1979 Tax Changes

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 Advance Earned Income Credit Payments 3 and 5
 Alimony paid 12
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 Blindness 8
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 Who MUST Use Form 1040 4 and 5
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Do not use the envelope we furnished you in your income tax package because this envelope may be used only for filing your income tax return.

Enter your name and address on this label. It will be used to speed your order forms to you.

Name _____
 Number and street _____
 City or town, State and ZIP code _____

Schedules A&B—Itemized Deductions AND Interest and Dividend Income

(Form 1040)
 Department of the Treasury
 Internal Revenue Service
 Attach to Form 1040. See Instructions for Schedules A and B (Form 1040).

1979

08

Name(s) as shown on Form 1040

Your social security number

Schedule A—Itemized Deductions (Schedule B is on back)

Medical and Dental Expenses (not paid or reimbursed by insurance or otherwise) (See page 16 of Instructions.)	Contributions (See page 17 of Instructions.)
1 One-half (but not more than \$150) of insurance premiums you paid for medical care. (Be sure to include in line 10 below.) ▶	21 a Cash contributions for which you have receipts, cancelled checks, or other written evidence
2 Medicine and drugs	b Other cash contributions (show to whom you gave and how much you gave) ▶
3 Enter 1% of Form 1040, line 31	22 Other than cash (see page 17 of instructions for required statement)
4 Subtract line 3 from line 2. If line 3 is more than line 2, enter zero	23 Carryover from prior years
5 Balance of insurance premiums for medical care not entered on line 1	24 Total contributions (add lines 21a through 23). Enter here and on line 36 . . . ▶
6 Other medical and dental expenses: a Doctors, dentists, nurses, etc. b Hospitals c Other (itemize—include hearing aids, dentures, eyeglasses, transportation, etc.) ▶	Casualty or Theft Loss(es) (See page 18 of Instructions.)
7 Total (add lines 4 through 6c)	25 Loss before insurance reimbursement
8 Enter 3% of Form 1040, line 31	26 Insurance reimbursement
9 Subtract line 8 from line 7. If line 8 is more than line 7, enter zero	27 Subtract line 26 from line 25. If line 26 is more than line 25, enter zero
10 Total medical and dental expenses (add lines 1 and 9). Enter here and on line 33 . . . ▶	28 Enter \$100 or amount from line 27, whichever is smaller
Taxes (See page 16 of Instructions.) Note: Gasoline taxes are no longer deductible.	29 Total casualty or theft loss(es) (subtract line 28 from line 27). Enter here and on line 31 . . . ▶
11 State and local income	Miscellaneous Deductions (See page 18 of Instructions.)
12 Real estate	30 Union dues
13 General sales (see sales tax tables)	31 Other (itemize) ▶
14 Personal property	32 Total miscellaneous deductions (add lines 30 and 31). Enter here and on line 38 . . . ▶
15 Other (itemize) ▶	Summary of Itemized Deductions (See page 18 of Instructions.) A
16 Total taxes (add lines 11 through 15). Enter here and on line 34 ▶	33 Total medical and dental—from line 10
Interest Expense (See page 17 of Instructions.)	34 Total taxes—from line 16
17 Home mortgage	35 Total interest—from line 20
18 Credit and charge cards	36 Total contributions—from line 24
19 Other (itemize) ▶	37 Total casualty or theft loss(es)—from line 29
20 Total interest expense (add lines 17 through 19). Enter here and on line 35 . . . ▶	38 Total miscellaneous—from line 32
	39 Add lines 33 through 38
	40 If you checked Form 1040, Filing Status box: 2 or 5, enter \$3,400 1 or 4, enter \$2,900 3, enter \$1,700
	41 Subtract line 40 from line 39. Enter here and on Form 1040, line 33. (If line 40 is more than line 39, see the instructions for line 41 on page 18.) ▶

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side)

Your social security number

Part I Interest Income

1 If you received more than \$400 in interest, complete Part I and Part III. Please see page 9 of the instructions to find out what interest to report. Then answer the questions in Part III, below. If you received interest as a nominee for another, or you received or paid accrued interest on securities transferred between interest payment dates, please see page 18 of the instructions.

Table with 2 columns: Name of payer, Amount. Multiple rows for reporting interest income.

2 Total interest income. Enter here and on Form 1040, line 9.

Part III Foreign Accounts and Foreign Trusts

If you are required to list interest in Part I or dividends in Part II, OR if you had a foreign account or were a grantor of or a transferor to a foreign trust, you must answer both questions in Part III. Please see page 19 of the instructions.

A At any time during the tax year, did you have an interest in or a signature or other authority over a bank account, securities account, or other financial account in a foreign country (see page 19 of instructions)?

B Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A, or 926.

Part II Dividend Income

3 If you received more than \$400 in gross dividends (including capital gain distributions) and other distributions on stock, complete Part II and Part III. Please see page 9 of the instructions. Write (H), (W), or (J), for stock held by husband, wife, or jointly. Then answer the questions in Part III, below. If you received dividends as a nominee for another, please see page 19 of the instructions.

Table with 2 columns: Name of payer, Amount. Multiple rows for reporting dividend income.

4 Total of line 3.

5 Capital gain distributions. Enter here and on the appropriate line(s) on Schedule D. See Note below.

6 Nontaxable distributions.

7 Total (add lines 5 and 6).

8 Dividends before exclusion (subtract line 7 from line 4). Enter here and on Form 1040, line 10a.

Note: If your capital gain distributions for the year do not include any gains before Nov. 1, 1978, and you do not need Schedule D to report any gains or losses, do not file that schedule. Instead, enter the taxable part of your capital gain distributions on Form 1040, line 15.

B

SCHEDULE D (Form 1040)

Capital Gains and Losses (Examples of property to be reported on this Schedule are gains and losses on stocks, bonds, and similar investments, and gains (but not losses) on personal assets such as a home or jewelry.)

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Attach to Form 1040. See Instructions for Schedule D (Form 1040.)

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Name(s) as shown on Form 1040

Your social security number

Caution: Columns f and g are not the same as last year. Most other lines have also been changed.

Part I Short-term Capital Gains and Losses—Assets Held One Year or Less

D

Table with 7 columns: a. Kind of property and description, b. Date acquired, c. Date sold, d. Gross sales price less expense of sale, e. Cost or other basis, f. LOSS, g. GAIN. Includes summary rows 2-8.

Part II Long-term Capital Gains and Losses—Assets Held More Than One Year

Table with 7 columns: a. Kind of property and description, b. Date acquired, c. Date sold, d. Gross sales price less expense of sale, e. Cost or other basis, f. LOSS, g. GAIN. Includes summary rows 10-20.

Note: If you have capital loss carryovers from years beginning before 1970, do not complete Parts III or V. See Form 4798 instead.

Part III Summary of Parts I and II

21 Combine lines 8 and 20, and enter the net gain or (loss) here. Note: Do not complete line 22 if lines 20 and 21 show a gain, and there is a net gain on line 7 or 19. Instead, complete Part IV.

Part IV Computation of Capital Gain Deduction for Sales or Exchanges Before 11/1/78

24 Enter the smaller of line 20 or line 21 (or Form 4798, lines 8 and 9). 25 If line 18 (or Form 4798, line 5) is a gain, combine lines 6 and 18 (or Form 4798, lines 1 and 5), and enter here.

Part V Computation of Post-1969 Capital Loss Carryovers from 1979 to 1980 (Complete this part if the loss on line 23a is more than the loss shown on line 23b)

Section A.—Short-term Capital Loss Carryover

33 Enter loss shown on line 8; if none, enter zero and skip lines 34 through 38—then go to line 39. 34 Enter gain shown on line 20. If that line is blank or shows a loss, enter zero.

Section B.—Long-term Capital Loss Carryover

39 Subtract line 37 from line 36 (Note: If you skipped lines 34 through 38, enter amount from line 23b). 40 Enter loss from line 20; if none, enter zero and skip lines 41 through 44.

* If the amount you enter on this line is other than zero, you may be liable for the alternative minimum tax. See Form 6251.

SCHEDULE E (Form 1040)

Supplemental Income Schedule

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(From pensions and annuities, rents and royalties, partnerships, estates and trusts, etc.) Attach to Form 1040. See Instructions for Schedule E (Form 1040).

Name(s) as shown on Form 1040

Your social security number

Part I Pension and Annuity Income. If fully taxable, do not complete this part. Enter amount on Form 1040, line 17. For one pension or annuity not fully taxable, complete this part. If you have more than one pension or annuity that is not fully taxable, attach a separate sheet listing each one with the appropriate data and enter combined total of taxable part on line 4.

1a Did you and your employer contribute to the pension or annuity? b If "Yes," do you expect to get back your contribution within 3 years from the date you receive the first payment? c If "Yes," show: Your contribution > \$, d Contribution received in prior years > \$

Part II Rent and Royalty Income or Loss. If you need more space, attach a separate sheet.

5a Have you claimed expenses connected with your vacation home (or other dwelling unit) rented to others (see Instructions)? b If "Yes," did you or a member of your family occupy the vacation home (or other dwelling unit) for more than 14 days during the tax year? 6a Did you elect to claim amortization (under section 191) or depreciation (under section 167(o)) for a rehabilitated certified historic structure (see Instructions)? b Amortizable basis (see Instructions)

Table with 7 columns: (a) Property code, (b) Total amount of rents, (c) Total amount of royalties, (d) Depreciation, (e) Other expenses, (f) Loss, (g) Income. Rows include Property A, B, C, D, E and Totals.

Part III Income or Losses from—

Table with 4 columns: (a) Name, (b) Employer identification number, (c) Loss, (d) Income. Rows include Partnerships, Estates or Trusts, and Small Business Corporations.

18 TOTAL income or (loss). Combine lines 4, 9, 13, 15, and 17. Enter here and on Form 1040, line 18. 19 Enter your share of gross farming and fishing income applicable to Parts II and III.

Individual Returns/1979 • Forms and Instructions

**SCHEDULE TC
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Tax Computation Schedule

Attach to Form 1040.

1979

Name(s) as shown on Form 1040

Your social security number

Part I Computation of Tax for Taxpayers Who Cannot Use the Tax Tables

Use this part to figure your tax if:

Your income on Form 1040, line 34, is more than \$20,000 and you checked Filing Status Box 1, 3, or 4 on Form 1040.

Your income on Form 1040, line 34, is more than \$40,000 and you checked Filing Status Box 2 or 5 on Form 1040.

You had more exemptions than were

shown in the Tax Table for your filing status.

You figure your tax using Schedule G (Income Averaging) or Form 4726 (Maximum Tax on Personal Service Income).

1	Enter the amount from Form 1040, line 34	1	
2	Multiply \$1,000 by the total number of exemptions claimed on Form 1040, line 7	2	
3	Taxable income. Subtract line 2 from line 1. (Figure your tax on this amount by using the Tax Rate Schedules or one of the other methods listed on line 4.)	3	
4	Income tax. Enter tax and check if from: <input type="checkbox"/> Tax Rate Schedule X, Y, or Z, <input type="checkbox"/> Schedule G, or <input type="checkbox"/> Form 4726. Also enter on Form 1040, line 35	4	

Part II Computation for Certain Taxpayers Who MUST Itemize Deductions

If you are included in one of the groups below, you MUST itemize. If you must itemize and the amount on Schedule A (Form 1040), line 40, is more than your itemized deductions on Schedule A, line 39, you must complete Part II before figuring your tax.

Note: If your earned income is more than your itemized deductions, you don't have to fill in Schedule A. Just enter your earned income in Part II, line 3, of this schedule, unless you are married filing a separate return and your spouse itemizes deductions. Generally, your earned income is the total of any amounts on Form 1040, lines 8, 13, and 19. See page 12 of the instructions for Form 1040 for more details.

line 3, of this schedule. If this is the case, don't complete Part II. Go back to Form 1040, line 33, and enter \$0. Then go to Form 1040, line 34.

C. You file Form 4563 to exclude income from sources in U.S. possessions. (Please see Form 4563, and Publication 570, Tax Guide for U.S. Citizens Employed in U.S. Possessions, for more details.)

D. You had dual status as a nonresident alien for part of 1979, and during the rest of the year you were either a resident alien or a U.S. citizen. However, you don't have to itemize if at the end of 1979, you were married to a U.S. resident or citizen and file a joint return reporting your combined worldwide income.

You MUST itemize your deductions if:

A. You can be claimed as a dependent on your parents' return and had interest, dividends, or other unearned income of \$1,000 or more and had earned income of less than \$2,300 if single (less than \$1,700 if married filing a separate return).

B. You are married filing a separate return and your spouse itemizes deductions. (There is an exception to this rule. You don't have to itemize if your spouse must itemize only because he or she is described in A and enters earned income instead of itemized deductions on Part II,

1	Enter the amount from Form 1040, line 31	1	
2	If you checked Form 1040, Filing Status Box: [2 or 5, enter \$3,400] [1 or 4, enter \$2,300] [3, enter \$1,700]	2	
3	Enter the amount from Schedule A, line 39	3	
4	Subtract line 3 from line 2	4	
5	Add lines 1 and 4. Enter here and on Form 1040, line 34. (Leave Form 1040, line 33 blank. Disregard the instruction to subtract line 33 from line 32. Follow the rest of the instructions for Form 1040, line 34.)	5	

The example below may help you to complete Part II.

Example—Walter Green, a single individual, is claimed as a dependent on his parents' return. Walter's adjusted gross income, Form 1040, line 31, is \$4,000. Of this amount, \$1,500 was earned income from a summer job and \$2,500 was unearned income that he received as a beneficiary of a trust. Because Walter is being claimed as a dependent on his parents' return and has unearned income of \$1,000 or more and earned income of less than

\$2,300, he must use Part II of Schedule TC. Walter knows that his total itemized deductions are only \$500. Since this is less than his earned income (\$1,500), he does not have to complete Schedule A. Walter enters \$2,300, the zero bracket amount for a single individual, on line 2 of Part II and his earned income on line 3. He completes Part II as shown below and enters the total of \$4,800 on Form 1040, line 34. He then figures his tax using the Tax Tables as explained in the instructions for lines 34 and 35 on page 12.

1	Adjusted gross income	\$4,000
2	Zero bracket amount for a single individual	\$2,300
3	Earned income	1,500
4	Subtract line 3 from line 2	800
5	Add lines 1 and 4. Enter here and on Form 1040, line 34	\$4,800

Note: If Walter's itemized deductions are more than his earned income, he must complete Schedule A first.

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Form **2555**

Department of the Treasury
Internal Revenue Service

Deduction from, or Exclusion of, Income Earned Abroad

See separate instructions, For the year January 1-December 31, 1979, or other tax year beginning 1979, ending 1979

1979

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This Form is to be Used Only by United States Citizens and Resident Aliens

Name of taxpayer _____ Social security number _____
Foreign address (including Country) _____ Your occupation _____

Name of employer _____
Employer's address U.S. Foreign
Employer is (check any that apply) A foreign entity A U.S. company A foreign affiliate of a U.S. company Self Other (specify) _____
Give the latest year for which you filed a U.S. income tax return _____ Service Center where filed _____
Enter earlier years you claimed deduction from, or exclusion of, income earned abroad under section 911 or 913 _____
Check the status under which you claim deduction from, or exclusion of, income earned from services abroad Bona fide residence. Physical presence. Are you a U.S. citizen? Yes No

Complete all items in either Part I or Part II. If an item does not apply, write "DOES NOT APPLY." Failure to submit required information may result in disallowance of the claimed deduction or exclusion.

Part I To be Completed for Bona Fide Residence Only (See Instruction 8)

- List the countries where you have lived and the dates of residence during your 1978 and 1979 tax years
- Kind of living quarters in foreign country Purchased house Rented house or apartment Rented room Quarters furnished by employer
- Did any of your family live with you abroad during any part of the tax year? Yes No
- If "Yes," who and for what period?
- (a) Have you made a statement to the authorities of the foreign country you claim bona fide residence in that you are not a resident of that country? Yes No
(b) Are you required to pay income tax to the country you claim bona fide residence in? Yes No
If you made a statement to the authorities of the foreign country that you are not a resident, and the country holds you are not subject to its income tax, you do not qualify for this status. (See Instruction 8(c).)
- Complete the following for days present in the U.S. or its possessions during the tax year:

Date arrived in U.S.	Date departed from U.S.	Number of days in U.S. on business	Amount earned in U.S. on business (Attach statement showing computation.) ¹	Date arrived in U.S.	Date departed from U.S.	Number of days in U.S. on business	Amount earned in U.S. on business (Attach statement showing computation.) ¹

¹ Do not include this income in Part III. Report on Form 1040.

- (a) State any contractual terms or other conditions relating to the length of your employment abroad
- (b) State the type of visa you entered the foreign country under
- (c) Did your visa contain any limitations as to the length of your stay or employment in a foreign country? Yes No
If "Yes," attach explanation.
- (d) Did you maintain a home in the U.S. while residing abroad? Yes No
If "Yes," show address of your home, whether it was rented, and the names and relationships of the occupants

Part II To be Completed for Physical Presence Only (See Instruction 9)

- The 18-month period that the test of physical presence in foreign countries is based on is from _____ through _____
- Enter your principal country of employment during your tax year _____
- Enter all travel abroad during the 18-month period that the test is based on, except travel between foreign countries that did not involve travel on or over international waters for 24 hours or more. If the last entry is an arrival in a foreign country, enter the number of full days to the end of 18-month period. If you have no travel to report during the period, write in the schedule that you were physically present in a foreign country or countries during the entire 18-month period.

Name of country (including U.S.)	Date arrived	Date departed	Full days present in country	Number of days in U.S. on business	Amount earned in U.S. on business (Attach statement showing computation.) ¹

¹ Do not include this income in Part III. Report on Form 1040.

Part III To be Completed by All Taxpayers

10 Enter below all, including noncash remuneration, income from sources outside the United States earned during 1979. (See Instructions 7, 10(b), 10(c), and 10(d).) Is part of the income (such as bonuses) for services performed in 1979, but received in another tax year? Yes No

Report all income received during 1979 on your Form 1040 regardless of when the services were performed. If you received all or part of your income in foreign currency, translate its exchange value into terms of U.S. dollars at the rates prevailing at the time you actually or constructively received the income. Do not report income shown in Part I, line 5, on this schedule.

Table with columns: Exchange rates used, Amount (In U.S. dollars). Rows include: 11 Total wages, salaries, bonuses, commissions, etc., earned this year; 12 Pensions and annuities; 13 Allowable share of income for personal services rendered this year; 14 Noncash remuneration; 15 Other foreign earned income; 16 Allowances, reimbursements, or expenses paid on your behalf for services rendered this year; 17 Total earned income from foreign sources; 18 (a) Value of meals and lodging included in income above which are excludable under section 119; (b) Net earned income from foreign sources; 19 Did you maintain a separate foreign residence for your family due to adverse living conditions at your tax home?; 20 List your tax home(s) during your tax year; 21 Did you live in a camp located in a hardship area for the convenience of your employer?

Part IV To be Completed by Taxpayers Claiming the Deduction for Excess Foreign Living Expenses

Qualified Schooling Expense (See Instruction 12)

22 Complete the following for each dependent child for whom you claim a schooling expense deduction:

Table with columns: Name of dependent child, Age, Address (including country) of school attended, Schooling expenses claimed.

23 Total qualified schooling expenses. Enter here and on lines 31(b) and 36. Qualified Home Leave Transportation Expense (See Instruction 13)

24 Enter total number of trips for which you are claiming a deduction. Count each trip by you, your spouse, and your dependents as a separate trip. Total expense for all trips; also enter on lines 31(c) and 37.

Qualified Hardship Area Amount (See Instruction 14)

25 Name of hardship area. Date tax home was established ended. 26 Maximum amount. \$ 5,000.00

27 Number of days that you qualified during the tax year.

28 Percentage applicable (divide the number of days on line 27 by 365).

29 Allowable amount (multiply the amount on line 26 by the percent on line 28). Also enter on lines 31(d) and 38. \$

Qualified Housing Expenses (See Instruction 16)

30 Expenses paid or incurred for housing at your tax home during the year. (If you maintained a qualified second household, see Instruction 17 for additional information)

31 Figure your base housing amount as follows. Enter:

Form with rows (a) through (i) for calculating base housing amount, including earned income, qualified schooling expenses, qualified home leave transportation expenses, qualified hardship area amount, qualified cost-of-living differential, housing expenses from line 30, total expenses, and subtraction of line 31(g).

32 Subtract line 31(i) from line 30. If less than zero, enter zero.

33 If you maintained a qualified second household, enter earned income as modified by Instruction 17(b)(i). Otherwise, omit line 33 and enter zero on line 34(e).

34 Amount from line 31(g).

(a) Housing expenses for qualified second household.

(b) Add line 34 and line 34(a).

(c) Subtract line 34(b) from line 33. If less than zero, enter zero.

(d) Base housing amount for second household; enter 20% (1/5) of line 34(c).

(e) Subtract line 34(d) from line 34(a).

35 Total qualified housing expenses. If you maintained a qualified second household and your tax home was in a hardship area, enter total of amounts on lines 30 and 34(e). Otherwise, enter the total of lines 32 and 34(e). Also enter on line 40.

Summary of Excess Foreign Living Expenses

36 Qualified schooling expenses from line 23.

37 Qualified home leave transportation expenses from line 24.

38 Qualified hardship area amount from line 29.

39 Qualified cost-of-living differential from line 31(e).

40 Qualified housing expenses from line 35.

41 Total expenses (add lines 36 through 40).

42 Limitation:

(a) Total earned income from foreign sources (from Part III, line 18(b)).

(b) Adjustments allocable to income from foreign sources (see Instruction 11(b)).

(c) Net earned income from foreign sources (subtract line 42(b) from line 42(a)). If less than zero, enter zero.

43 Deduction for excess foreign living expenses. Enter the amount from line 41 or 42(c), whichever is smaller. Also enter this amount on Form 1040, line 24, and label it as "Expense from Form 2555".

Part V To be Completed by Taxpayers Claiming the Exclusion of Income Earned in a Hardship Area Camp (See Instruction 18)

44 Complete the following for days you lived in a hardship area during the tax year: Table with columns for Name of hardship area, Date arrived, Date departed, Full days you lived in hardship area, and Number of days during your residence that area qualified.

45 Total number of full qualifying days in all hardship areas. (Enter here and on line 47 below.)
46 Maximum exclusion \$20,000.00
47 Number of days that you qualified for exclusion during the tax year (from line 45 above)
48 Percentage applicable (divide the number of days on line 47 by 365) %
49 Maximum allowable exclusion (multiply the amount on line 46 by the percent on line 48) \$
50 Enter the exclusion from line 49 or the amount you earned during the days you qualified, whichever is smaller
51 Deductions allocable to excluded income. (See Instruction 18(c) and attach a schedule.)
52 Subtract line 51 from line 50. Enter here and in parenthesis on Form 1040, line 21, and label it "Exclusion from Form 2555". (On Form 1040, subtract the amount from your income to arrive at Total income on line 22.)

See Instructions on back. Attach to Form 1040.

Name(s) as shown on Form 1040

Your social security number

File this form if the total of tax preference items (line 2) is more than \$10,000 (\$5,000 if you are married filing separately) even though you owe no minimum tax, OR if you have any minimum tax liability deferred from an earlier tax year until this year. If this is a short-period return, see instructions for line 8.

1 Tax preference items: (Note: Adjusted itemized deductions and capital gains are now tax preference items for the alternative minimum tax. See Form 6251.)
(a) Accelerated depreciation on real property—
(1) Low-income rental housing under section 167(k) or amortization of certified historic structures under section 191
(2) Other real property
(b) Accelerated depreciation on personal property subject to a lease
(c) Amortization of certified pollution control facilities
(d) Amortization of railroad rolling stock
(e) Amortization of on-the-job training facilities
(f) Amortization of child care facilities
(g) Reserves for losses on bad debts of financial institutions
(h) Stock options
(i) Depletion
(j) Intangible drilling costs
2 Total tax preference items. Add lines 1(e) through 1(j)
3 Amount from Form 1040, line 47*
4 Tax from recomputing prior-year investment credit
5 Tax from recomputing prior-year Work Incentive (WIN) credit
6 Tax on premature redemption of Individual Retirement Bond(s)
7 Add lines 3 through 6
8 Enter the larger of: (a) one-half of the amount on line 7, or (b) \$10,000 (\$5,000 if you are married filing separately)
9 Subtract line 8 from line 2 (if line 8 is more than line 2, enter zero)
10 Multiply amount on line 9 by 15%
11 Enter any 1979 net operating loss carryover to 1980 (attach statement showing computation)
12 Multiply amount on line 11 by 15%
13 Deferred minimum tax. Enter the amount from line 10 or line 12, whichever is smaller
14 Minimum tax. Subtract line 13 from line 10
15 Enter minimum tax deferred from earlier year(s) until this year (attach statement showing computation)
16 Total minimum tax. Add lines 14 and 15
17 Excess tax credits. See instructions for line 17 before completing this section. If Form 1040, line 47 is more than zero, this section will not apply; skip lines 17(a) through 18 and enter the amount from line 16 on line 19.
(a) Credit for the elderly
(b) Credit for political contributions
(c) Credit for child care expenses
(d) Residential energy credits
18 Add lines 17(a) through 17(d)
19 Subtract line 18 from line 16. Enter here and on Form 1040, line 49a

*Do not include any tax from Form 4370, Form 4972, Form 9544, or any penalty tax under sec. 72(m)(5).

Instructions

(Section references are to the Internal Revenue Code unless otherwise specified)

Who Must File.—You must file this form if either of the following applies to you:

- (a) You have tax preference items of more than \$10,000 (\$5,000 if you are married and filing separately) even if you owe no minimum tax;
(b) You have any minimum tax liability postponed from an earlier tax year until this year.

Line 1. Tax preference items.—

(a) Accelerated depreciation on real property.—

- (1) Low income rental housing under section 167 (k) or amortization of certified historic structures under section 191;
(2) Other real property.

On the appropriate line(s), enter the amount you get (never less than zero) by subtracting the depreciation that would have been allowable for the year if you had used the straight-line method, from the depreciation actually allowable.

Note: If you amortized certain rehabilitation expenditures for certified historic structures or other section 1250 property over a 5 year period, enter on line 1(a)(1) the amount you get by subtracting the straight-line depreciation over the normal useful life of the improvement, from the amount of this amortization.

(b) Accelerated depreciation on personal property subject to a lease.—Enter the amount you get (never less than zero) by subtracting the depreciation that would have been allowable for the year if you had used the straight-line method, from the depreciation actually allowable.

(c) through (f). Amortization of (c) certified pollution control facilities; (d) railroad rolling stock; (e) on-the-job training facilities; and (f) child care facilities.—In items (c), (d), (e), and (f), enter the amount by which the amortization allowable for the year is more than the depreciation deduction otherwise allowable.

If you use the Class Life Asset Depreciation Range (CLADR) System, note the following:

- The asset guideline period provided is considered the same as straight-line useful life for lines 1(a) and 1(b).
• Any variance in useful life allowable under section 167(m)(1) is also considered the same as straight-line useful life for purposes of figuring tax preference item (a) but not (b).

• For lines 1(c) through 1(f), the asset guideline period provided (including any

variance in useful life) is considered the useful life of the property in figuring the depreciation deduction otherwise allowable.

(g) Reserves for losses on bad debts of financial institutions.—Enter your share of the excess of the addition to the reserve for bad debts over the reasonable addition to the reserve for bad debts that would have been allowable if you had maintained the bad debt reserve for all tax years based on actual experience.

(h) Stock options.—If you received stock by the exercise of a qualified stock option (as defined in section 422(b)) or a restricted stock option (as defined in section 424(b)), enter the amount by which the fair market value of the shares at the time of exercise was more than the option price.

(i) Depletion.—Enter the amount you get (never less than zero) in the following way: From the deduction for depletion allowable under section 611, subtract the adjusted basis of the property at the end of the year. Include percentage depletion for geothermal deposits. Figure the adjusted basis without regard to the depletion deduction for the tax year, and figure the excess separately for each property.

(j) Intangible drilling costs.—Excess intangible drilling costs are a tax preference item only to the extent that they are more than your net income from oil, gas, and geothermal properties.

Figure excess intangible drilling costs in the following way: From the allowable intangible drilling and development costs (other than costs in drilling a nonproductive well), subtract the amount that would have been allowable if these costs had been capitalized and then (unless you make an election under section 57(d)(2)) amortized over a 120-month period beginning with the month production first began.

The net income from oil, gas, and geothermal properties is the gross income from these properties minus the deductions allocable to them, except for excess intangible drilling costs and nonproductive well costs.

Figure this tax preference item separately for oil and gas properties which are not geothermal deposits and for all properties which are geothermal deposits.

Limitations on Amounts Treated as Tax Preference Items in Certain Cases.—See section 58(h) for limitations where the tax preference item did not result in a tax benefit. If limitations apply, attach a schedule showing computation.

Partners, Beneficiaries of Estates and Trusts, etc.—If you are a partner, you must take into account separately your distributive share of items of income and deductions when figuring tax preference items. If you are a partner and have

electd the optional adjustment to basis (see section 743), adjust the tax preference items that apply to reflect the election.

If you are a:

- beneficiary of an estate or trust, see section 58(c);
• shareholder of an electing small-business corporation, see section 58(d);
• participant in a common trust fund, see section 58(e);
• shareholder or holder of beneficial interest in a regulated investment company or a real estate investment trust, see section 58(f).

If you have tax preferences attributable to foreign sources, see section 58(g).

Line B. Adjustment in exclusion.—If this is a short-period return, use the formula in section 443(d) to determine the adjustment in exclusion for figuring the minimum tax on tax preference items.

Note: If line 2 is more than either the adjusted exclusion or \$10,000 (\$5,000 if you are married and filing separately), file this form even though you owe no minimum tax.

Line 11. 1979 net operating loss carryover to 1980.—Under some conditions, you may defer part or all of the amount on line 10 to a later year. See section 56(b).

Line 15. Minimum tax deferred from earlier year(s).—If a net operating loss carryover from an earlier year(s) reduces taxable income for 1979, and the net operating loss giving rise to the carryover resulted in the deferral of minimum tax in that earlier year(s), all or part of the deferred minimum tax may be includible on line 15 as tax liability for 1979. Figure the deferred minimum tax at the rate in effect for the year of the loss (15% for 1976, 1977 and 1978; 10% for 1975 and earlier years). See section 56(b).

Line 17. Excess tax credits.—If Form 1040, line 47, is zero, you may be able to claim any unused part of certain credits against your minimum tax. Apply the credits in the order listed on this form. Apply them first to the tax on Form 1040, line 37, and then to the minimum tax on Form 4625, line 16. For example, if the amount on Form 1040, line 47, is zero after applying the credit for the elderly and a part of the credit for political contributions, apply the balance of the credit for political contributions, credit for child care expenses, and residential energy credits to the extent of the minimum tax on Form 4625, line 16. On lines 17(a) through 17(d), enter only that part of the credit or credits used to reduce the minimum tax. Do not reduce the minimum tax below zero.

For more information about minimum tax, see Publication 525, Taxable and Non-taxable Income.

Form 4726 Department of the Treasury Internal Revenue Service

Maximum Tax on Personal Service Income

1979 26

See instructions on back. Attach to Form 1040 (or Form 1041).

Name(s) as shown on Form 1040 (or Form 1041) Identifying number

Do not complete this form if—(a) Taxable income or personal service taxable income is: \$41,500 or less, and on Form 1040, you checked box 1, \$60,000 or less, and on Form 1040, you checked box 2 or box 5, \$44,700 or less, and on Form 1040, you checked box 4, \$28,300 or less, and this is an Estate or Trust return (Form 1041); (b) You elected income averaging; or (c) On Form 1040, you checked box 3.

Table with 2 main columns: Personal Service Income and Deductions Against Personal Service Income. Rows include Total personal service income, Total deductions against personal service income, Personal service net income, Adjusted gross income, Taxable income, and Final tax calculation steps.

*Use Tax Rate Schedules from Form 1040 or Form 1041 instructions.

Instructions

(Section references are to the Internal Revenue Code unless otherwise specified)

Purpose of Form.—This form may be to your advantage if you have personal service income and your tax bracket is above 50%. Please read the instructions and complete the form. If line 17 is less than your regular tax using the tax rate schedules and income averaging, attach this form to Form 1040 or Form 1041. Also, check the box labeled Form 4726, on Schedule TC (Form 1040), if you are filing this form with Form 1040.

Line 1. Personal service income.—In the spaces on line 1 show the kinds and amounts of personal service income from your Form 1040 or Form 1041. For an estate or trust, personal service income includes only income in respect of a decedent as defined below. Personal service income for an individual includes:

- wages, salaries, tips, and other compensation for personal services actually rendered.
- professional fees.
- bonuses.
- commissions on sales or insurance premiums.
- prizes and awards that are not gambling winnings.
- taxable pensions and annuities if there is a connection with earning income from past personal services.
- taxable group term life insurance.
- property you received as payment for services even if you later transferred the property to someone else.
- gains (except capital gains) and net earnings from the sale or transfer of an interest in, or license for the use of property (other than goodwill) that you created by your personal efforts.
- the portion of income you received from a corporation (including an electing small business corporation) that represents a reasonable allowance as compensation for the services you performed for the corporation.
- the entire amount you receive for professional services if you are a doctor, dentist, lawyer, architect, accountant, etc., and you are personally responsible for the services performed. This is true even if your assistants perform all or part of the services.
- income you receive from a noncorporate trade or business where both personal services and capital are material income producing factors. In this case, your personal service income is a reasonable allowance as compensation for the personal serv-

ices actually rendered, but not more than the net profits of the business.

- an item of gross income in respect of a decedent if the gross income would have been personal service income for the decedent had he or she lived and received the amount.
- personal service income of a nonresident alien if it is from sources in the U.S. and is effectively connected with the conduct of a business in the U.S. It does not include income subject to the 30 percent tax under section 871(a)(1)(A).

Personal service income does not include:

- interest and dividends (including undistributed taxable income from an electing small business corporation).
- other distributions of corporate earnings and profits.
- gambling gains.
- gains treated as capital gains.
- premature or excess distributions from a qualified employee pension plan under section 72(m)(5).
- lump-sum distributions from pension, etc., plans taxed under sections 402(a)(2), 402(e) and 403(a)(2).
- certain distributions from Individual Retirement Accounts or Annuities described in sections 408(e)(2), (3), (4), (5), and 408(f).
- redemption of retirement bonds includible in income under section 409(b) or (c).

Line 2. Deductions against personal service income.—In the spaces on line 2 show the kind and amount of each deduction that is related to your personal service income and is required to be taken into account in determining adjusted gross income.

- Examples of these are:
- allowable deduction for expenses from a trade or business from which you received personal service income.
 - allowable deduction for expenses from performing services as an employee.
 - allowable deduction for payments to a Keogh plan.
 - allowable deduction for payments to an IRA.
 - allowable deduction for moving expenses.
 - deductions allowable to an individual who is a shareholder-employee of an electing small business corporation for the excess of amounts included in gross income due to overpayment on his or her behalf by a corporation to a qualified pension plan over amounts not received as benefits and

- a net operating loss deduction to the extent that the net operating losses carried to the taxable year are properly allocable to or chargeable against personal service income.

When the expenses of a business are more than the income from that business, and both personal services and capital are material income producing factors, deduct only part of the expenses against personal service income. To figure your deduction, multiply the total business expenses of that business by the ratio of a reasonable amount of pay for your services over the gross receipts of that business. You must make the computation separately for each business with a loss. You cannot apply the profits or losses of one business against the profits or losses of another.

Line 4. Adjusted gross income.—If you are filing this form with Form 1040, enter on line 4 the amount from Form 1040, line 31.

Line 5.—Round percentage to nearest four numbers. For example, a percentage of 63.8456% should be rounded to 63.85%.

Line 6. Taxable income.—If you are filing this form with Form 1040, enter the amount from Schedule TC (Form 1040), Part I, line 3.

Line 8.—Enter on this line the following tax preference items:

- adjusted itemized deductions.
- accelerated depreciation on real and personal property.
- amortization of certified historic structures, certified pollution control facilities, railroad rolling stock, on-the-job training facilities and child care facilities.
- reserves for losses on bad debts of financial institutions.
- stock options.
- depletion.
- intangible drilling costs.

For more information, see Forms 4625 and 6251.

Line 17. Maximum tax.—Add lines 12, 15, and 16 and enter the total. This is your maximum tax. Enter it also on Schedule TC (Form 1040), Part I, line 4, or on Form 1041, line 27.

Short Period Returns.—If you are required to prepare a return of less than twelve months, your tax is determined by placing your taxable income, personal service net income, adjusted gross income, and items of tax preference on an annual basis. However, if a short period return is required due to a termination of tax year for purposes of a jeopardy assessment, the maximum tax computation shall not apply unless the tax year is reopened.

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Form **4798**

Department of the Treasury
Internal Revenue Service

Carryover of Pre-1970 Capital Losses
(Computations of Capital Loss Carryovers and Summary of Capital Gains and Losses if Pre-1970 Capital Losses are Carried to 1979.)

1979

Name(s) as shown on Form 1040

Your social security number

Part I Capital Gains and Losses

Section A.—Summary of Capital Gains and Losses

Short-term	1	Amount from your 1979 Schedule D (Form 1040), Part I, line 6	1	
	2	Amount from your 1979 Schedule D (Form 1040), Part I, line 7	2	
	3	Pre-1970 short-term capital loss carryover to 1979 from your 1978 Form 4798, Part II, line 17	3	()
	4	Net short-term gain or (loss), combine lines 1, 2 and 3	4	
Long-term	5	Amount from your 1979 Schedule D (Form 1040), Part II, line 18	5	
	6	Amount from your 1979 Schedule D (Form 1040), Part II, line 19	6	
	7	Pre-1970 long-term capital loss carryover to 1979 from your 1978 Form 4798, Part II, line 23	7	()
	8	Net long-term gain or (loss), combine lines 5, 6 and 7	8	
	9	Combine lines 4 and 8 and enter the net gain or (loss) here	9	
		Note: Do not complete line 10 if lines 8 and 9 show a gain, and there is a net gain on line 2 or 6. Instead, complete Schedule D (Form 1040), Part IV.		
	10	If line 9 shows a gain—		
		a Enter 60% of line 8 or 60% of line 9, whichever is smaller. Enter zero if there is a loss or no entry on line 8	10a	
		b Subtract line 10a from line 9. Enter here and on Form 1040, line 14	10b	
	11	If line 9 shows a loss—If losses are shown on both lines 7 and 8, omit line 11 and go to line 12. Otherwise, enter one of the following amounts:		
		a If line 4 is zero or a net gain, enter 50% of line 9;		
		b If line 8 is zero or a net gain, enter amount from line 9; or		
		c If line 4 and line 8 are net losses, enter amount from line 4 added to 50% of amount from line 8	11	
		Note: If there is an entry on line 11, skip lines 12 through 28 and go to line 29.		
	12	Enter loss from line 4; if line 4 is zero or a gain, enter zero	12	
	13	Enter loss from line 8	13	
	14	Enter gain, if any, from line 4; if line 4 is zero or a loss, enter zero	14	
	15	Reduce loss on line 13 by any gain on line 14	15	
	16	Combine amounts on 1979 Schedule D (Form 1040), lines 4, 7, 16 and 19, and if gain, enter gain. If zero or a loss, enter zero	16	
		Note: If the entry on line 16 is zero, skip lines 17 through 23 and enter on line 24 the loss shown on line 7.		
	17	Combine amounts on 1979 Schedule D (Form 1040), lines 16 and 19, and if a gain, enter gain. If zero or a loss, enter zero	17	
	18	Enter line 16 or line 17, whichever is smaller	18	
	19	Subtract line 18 from line 16	19	
	20	Enter loss from line 3; if line 3 is blank, enter zero	20	
	21	Reduce gain on line 19 by loss on line 20 (see Instruction B)	21	
	22	Enter loss from line 7	22	
	23	Add the gain(s) on line(s) 18 and 21	23	
	24	Reduce the loss on line 22 by any gain on line 23 (see Instruction C)	24	
	25	Enter line 24 or line 15, whichever is smaller (if line 24 is zero, enter zero)	25	
	26	Subtract amount on line 25 from the loss on line 15	26	
	27	Enter 50% of the amount on line 26	27	
	28	Add lines 12, 25 and 27	28	
	29	Enter the amount from line 11 or line 28, whichever applies	29	
	30	Enter here and enter as a (loss) on Form 1040, line 14, the smallest of:		
		a Amount on line 29;		
		b \$3,000 (Married taxpayers filing separate returns see Instruction D); or		
		c Taxable income, as adjusted (see page 21 in instructions for Schedule D (Form 1040))	30	()

Form 4798 (1979)

Section B.—Complete if You are Married Filing a Separate Return and Losses are Shown on Lines 3 AND 9 of Part I

31 Combine amounts on 1979 Schedule D (Form 1040), lines 4, 7, 16, and 19, and if a gain, enter gain; if zero or a loss, enter zero <i>Note: If the entry on line 31 is zero, SKIP lines 32 through 38, and enter on line 39 the loss shown on line 3.</i>	31	
32 Combine amounts on 1979 Schedule D (Form 1040), lines 4 and 7, and if a gain, enter gain. If zero or a loss, enter zero.	32	
33 Enter line 31 or line 32, whichever is smaller.	33	
34 Subtract line 33 from line 31.	34	
35 Enter loss from line 7; if line 7 is blank, enter zero.	35	
36 Reduce any gain on line 34 by any loss on line 35 (see Instruction B).	36	
37 Enter loss from line 3.	37	
38 Add the gain(s) on line(s) 33 and 36.	38	
39 Reduce the loss on line 37 by any gain on line 38 (see Instruction C).	39	

Part II—Pre-1970 and Post-1969 Capital Loss Carryovers from 1979 to 1980
(Complete This Part if the Amount on Part I, Line 29 is Larger Than the Loss on Part I, Line 30)

1 Enter loss shown in Part I, line 4; if none, enter zero and skip lines 2 through 20. Then go to line 21.	1	
2 Enter gain shown in Part I, line 8. If that line is blank or shows a loss, enter zero.	2	
3 Reduce loss on line 1 by any gain on line 2.	3	
<i>Note: If Part I, line 3 is blank, skip lines 4 through 11 and enter zero on line 12. Then go to line 13.</i>		
4 Combine lines 4, 7, 16, and 19 on your 1979 Schedule D (Form 1040). Enter the gain; if zero or a loss, enter zero. <i>Note: If line 4 is zero, skip lines 5 through 11 and enter on line 12 the loss from Part I, line 3. Then go to line 13.</i>	4	
5 Combine amounts on 1979 Schedule D (Form 1040), lines 4 and 7, and if gain, enter gain. If zero or a loss, enter zero.	5	
6 Enter line 4 or 5, whichever is smaller.	6	
7 Subtract line 6 from line 4.	7	
8 Enter loss from Part I, line 7; otherwise, enter zero.	8	
9 Reduce any gain on line 7 by any loss on line 8.	9	
10 Enter loss from Part I, line 3; otherwise, enter zero.	10	
11 Add the gains on lines 6 and 9.	11	
12 Reduce the loss on line 10 by any gain on line 11.	12	
13 Pre-1970 short-term capital loss (enter line 3 or 12, whichever is smaller).	13	
14 Short-term capital loss from years beginning after 1969 (subtract line 13 from line 3).	14	
15 Enter any loss from line 13, above.	15	
16 Enter loss from Part I, line 30.	16	
17 Pre-1970 short-term loss carryover to 1980 (subtract line 16 from line 15. If line 15 is less than line 16, enter zero).	17	
18 Enter any loss from line 14, above.	18	
19 Subtract line 15 from line 16. If line 16 is less than line 15, enter zero.	19	
20 Post-1969 short-term loss carryover to 1980 (subtract line 19 from line 18. If line 18 is less than line 19, enter zero).	20	
21 If you had to complete Part I, lines 12 through 28, enter any loss from Part I, line 25; otherwise, enter zero.	21	
22 Subtract line 18 from line 19. If line 19 is less than line 18, enter zero. <i>Note: If you skipped lines 2 through 20 above, enter amount from Part I, line 30.</i>	22	
23 Pre-1970 long-term loss carryover to 1980 (subtract line 22 from line 21. If line 21 is less than line 22, enter zero).	23	
24 If you had to complete Part I, lines 12 through 28, enter any loss from Part I, line 26. Otherwise, enter any loss from Part I, line 8.	24	
25 Subtract line 21 from line 22 $\times 2$. If line 22 is less than line 21, enter zero.	25	
26 Post-1969 long-term loss carryover to 1980 (subtract line 25 from line 24. If line 24 is less than line 25, enter zero).	26	

Instructions

A. Purpose of Form.—Use this form only if you have a pre-1970 capital loss carryover to 1979 from your 1978 Form 4798, Part II, line 17 or 23. If so, first fill in your 1979 Schedule D (Form 1040), lines 1 through 20 to report capital gains and losses for the current year and any post-1969 capital loss carryovers. Then complete Form 4798, Part I. Use Part II to figure your capital loss carryover from 1979 to 1980 for pre-1970 losses or a combination of pre-1970 and post-1969 losses.

B. Part I, Line 21 or 36.—If there are a gain and a loss on the lines mentioned in the instructions for Part I, line 21 or 36,

enter the gain minus the amount of the loss. If the loss is more than the gain, enter zero. If there is a gain and no loss, enter the gain.

C. Part I, line 24 or 39.—If there are a loss and a gain on the lines mentioned in the instructions for Part I, line 24 or 39, enter the loss minus the amount of the gain. If the gain is more than the loss, enter zero. If there is a loss and no gain, just enter the loss.

D. Married Taxpayers Filing Separate Returns.—If you are married, filing a separate return, and losses are shown on lines 3 and 9 of Part I, complete Section B of Part I. If losses are shown on lines 7 and 9

of Part I, complete lines 16 through 24 of Part I (whether or not you have to complete lines 12 through 28), and ignore the note under line 16. Your limitation for line 30b is the sum of \$1,500 plus (1) the loss on line 24 of Part I (the long-term capital loss component), and (2) the loss on line 39 of Part I (the short-term capital loss component). Your total limitation must not exceed \$3,000.

E. Part I, Lines 16, 17, 31, 32 and Part II, Lines 4 and 5.—If you have reduced Schedule D (Form 1040), lines 7 or 19 by a post-1969 capital loss carryover in accordance with the Schedule D instructions, add the amount back ONLY for purposes of these lines.

Energy Credits

▶ Attach to Form 1040. ▶ See Instructions on back.

Name(s) as shown on Form 1040

Your social security number

Enter in the space below the address of your principal residence on which the credit is claimed if it is different from the address shown on Form 1040.

Part I—Fill in your energy conservation costs (but do not include repair or maintenance costs). If you have an unused energy credit carryover from the previous tax year and no energy savings costs this year, skip to Part III, line 20.

Was your principal residence substantially completed before April 20, 1977? Yes No
If you checked "No," do not fill in Part I.

1 Energy Conservation Items:		
a Insulation	1a	
b Storm (or thermal) windows or doors	1b	
c Caulking or weatherstripping	1c	
d Other items (list here)		
	1d	
2 Total (add lines 1a through 1d)	2	
3 Maximum amount	3	\$2,000 00
4 Enter the total energy conservation costs for this residence from your 1978 Form 5695, line 2.	4	
5 Subtract line 4 from line 3.	5	
6 Enter the amount on line 2 or line 5, whichever is less.	6	
7 Enter 15% of line 6.	7	

Part II—Fill in your renewable energy source costs (but do not include repair or maintenance costs). If you have an unused energy credit carryover from the previous year and no energy savings costs this year, skip to Part III, line 20.

8 Renewable Energy Source Items:		
a Solar	8a	
b Geothermal	8b	
c Wind	8c	
9 Total (add lines 8a through 8c)	9	
10 Maximum amount	10	\$10,000 00
11 Enter the total renewable energy source costs for this residence from your 1978 Form 5695, line 5.	11	
12 Subtract line 11 from line 10.	12	
13 Enter amount on line 9 or line 12, whichever is less.	13	
14 Enter 20% of line 13.	14	
15 Subtract amount on line 11 from \$2,000. If zero or less, enter zero.	15	
16 Enter amount on line 13 or line 15, whichever is less.	16	
17 Enter 10% of line 16.	17	
18 Add lines 14 and 17.	18	

Part III—Fill in this part to figure the limitation

19 Add line 7 and line 18. If less than \$10, enter zero.	19	
20 Enter your unused energy credit carryover from the previous tax year.	20	
21 Add lines 19 and 20.	21	
22 Enter the amount of tax shown on Form 1040, line 37.	22	
23 Add lines 38 through 44 from Form 1040 and enter the total.	23	
24 Subtract line 23 from line 22. If zero or less, enter zero.	24	
25 Residential energy credit. Enter the amount on line 21 or line 24, whichever is less. Also, enter this amount on Form 1040, line 45.	25	

General Instructions

If you have an unused energy credit carryover from the previous tax year and no energy savings costs this year, fill in only Part III of the form. Attach Form 5695 to your tax return.

Purpose.—Use this form to figure your residential energy credit if you had energy saving items installed in your principal residence. The instructions below list tests you must meet to take the credit. For more information, please get Publication 903, Energy Credits for Individuals.

What is your principal residence?—To qualify as your principal residence, your residence must meet all of the tests below.

- It must be the home where you and your family live (you may own it or rent it from another person).
- It must be in the United States.

A summer or vacation home does not qualify.

If you live in a condominium or cooperative housing corporation dwelling unit, it may qualify. Please get Publication 903 for more details.

For energy conservation items to qualify, your principal residence must have been substantially completed before April 20, 1977.

Note: You may claim the maximum credit on each principal residence you live in during the tax year. See the instructions for maximum credit and unused energy credit carryover.

What are energy saving items?—You can take the credit for two kinds of energy saving items; energy conservation items and renewable energy source items.

Energy conservation items are limited to:

- insulation (fiberglass, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.
- storm (or thermal) windows or doors for the outside of your residence.
- caulking or weatherstripping for windows or doors for the outside of your residence.
- a furnace replacement burner that reduces the amount of fuel used.
- a device for modifying flue openings to make a heating system more efficient.
- an electrical or mechanical furnace ignition system that replaces a gas pilot light.
- a thermostat with an automatic setback.
- a meter that shows the cost of energy used.

To take the credit for an energy conservation item, you must:

- be the first one to use the item, and
- expect it to last at least 3 years.

Renewable energy source items include solar and geothermal energy items which heat or cool your principal residence or provide hot water for it.

Examples of solar energy items include:

- collectors,
- rockbeds, and
- heat exchangers.

An example of an item that uses wind energy is a windmill that produces energy in any form (usually electricity) for your residence.

To take the credit for a renewable energy source item, you must:

- be the first one to use the item, and
- expect it to last at least 5 years.

Energy saving items that are NOT eligible for the credit include the following:

- carpeting;

- drapes;
- wood paneling;
- wood or peat fueled residential equipment;
- hydrogen fueled residential equipment;
- siding for the outside of your residence;
- heat pump;
- fluorescent replacement lighting system;
- transportation that uses wind energy, and
- swimming pools used to store energy.

Maximum credit and unused energy credit carryover.—The credit for energy conservation items cannot be more than \$300. The credit for renewable energy source items cannot be more than \$2,200. You can take the maximum credit for each principal residence you live in. If you use all of your credit for one residence and then move, you may take the maximum credit amount on your next residence.

For example, if you sold your principal residence in May of 1979 and bought another in June, you would be entitled to take up to \$300 credit on each residence for energy conservation items.

To figure your allowable 1979 energy credit for more than one principal residence, follow the instructions below:

- (1) Fill out Parts I or II on Form 5695 for each principal residence.
- (2) Enter the total of all parts on line 19 of one form.
- (3) In the space above line 19, write "More than one principal residence."

If your credit for this year is more than your tax minus any other credits, you can carry over the amount of unused energy credit to the following tax year.

Caution: You should keep a copy of each Form 5695 that you file for your records. For example, if you sell your principal residence, you will need to know the amount of the credit claimed in prior tax years. You must reduce the basis of your principal residence by the amount of energy credit taken against your tax. If the items for which the credit is taken are a proper increase to the basis.

Specific Instructions

Part I, lines 1a through 1d.—Enter your energy conservation costs only for this tax year. Count the cost of the item and its installation in or on your principal residence. Do not include the cost of repairs or maintenance for energy conservation items.

Part I, line 4.—Enter your total energy conservation costs from the previous tax year for this principal residence. If you had energy conservation costs in the previous tax year but could not take a credit because it was less than \$10, enter zero.

Part II, lines 8a through 8c.—Enter your renewable energy source costs only for this tax year. Count the cost of the item and the cost of labor for its assembly, preparation, and installation in connection with your principal residence. Do not include the cost of repairs or maintenance for renewable energy source items.

Part II, line 11.—Enter your total renewable energy source costs from the previous tax year for this principal residence. If you had renewable energy source costs in the previous tax year but could not take a credit because it was less than \$10, enter zero.

Part III.—The amount of your energy credit is limited to your tax less other credits. If you have an amount on line 21 which is more than line 24, you can carry over the unused credit to the next tax year.

Part III, line 20.—If your tax for the previous tax year was less than the amount of energy credit, you have an unused credit carryover to this tax year. Enter the unused amount on this line.

Form **6251**

Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax Computation

Attach to Forms 1040, 1041 or 990-T (Trust).

1979

30

Name(s) as shown on tax return

Identifying number

1 Adjusted gross income from Form 1040, line 32 (estates and trusts—see instructions)		1
2 Deductions (applies to individuals only):		
a Enter amount from Form 1040, line 33	2a	
b On your 1979 Form 1040, if you checked Filing Status box	2b	
2 or 5, enter \$3,400 1 or 4, enter \$2,300 3, enter \$1,700		
c Multiply \$1,000 by the total number of exemptions on Form 1040, line 7	2c	
d Add lines 2a through 2c (estates and trusts, enter zero)		2d
3 Subtract line 2d from line 1		3
4 Tax preference items:		
a Adjusted itemized deductions	4a	
b Capital gain deduction	4b	
c Add lines 4a and 4b		4c
5 Alternative minimum taxable income (add lines 3 and 4c)		5
6 Enter \$20,000 (\$10,000 if married filing separately, or an estate or trust)		6
7 Subtract line 6 from line 5. If zero or less, do not complete the rest of this form		7
8 Enter the smaller of line 7 or \$40,000 (\$20,000 if married filing separately or an estate or trust)	8	
9 Subtract line 8 from line 7	9	
10 Enter the smaller of line 9 or \$40,000 (\$20,000 if married filing separately or an estate or trust)	10	
11 Subtract line 10 from line 9	11	
12 Enter 10% of line 8	12	
13 Enter 20% of line 10	13	
14 Enter 25% of line 11	14	
15 Add lines 12, 13 and 14		15
16 Amount from Form 1040, line 47* (estates and trusts—see instructions)	16	
17 Minimum tax from Form 1040, line 49a (estates and trusts—see instructions)	17	
18 Tax from recomputing prior-year investment credit (from Form 1040, line 50) (estates and trusts—see instructions)	18	
19 Tax from recomputing prior-year work incentive (WIN) credit	19	
20 Add lines 16 through 19		20
21 Alternative minimum tax (subtract line 20 from line 15). If zero or less, do not complete the rest of this form		21
22 Foreign tax credit (see instructions)		22
23 Subtract line 22 from line 21. Enter here and on Form 1040, line 49b (estates and trusts—see instructions)		23

*Do not include any tax from Form 4970, Form 4972, Form 5544, or any penalty tax under section 72(m)(5).

Instructions

(Section References are to the Internal Revenue Code)

Purpose of Form

If you are an individual, you may be liable for the alternative minimum tax if the sum of Form 1040, line 34, plus your tax preference items for excluded capital gains and adjusted itemized deductions is more than \$23,300 (\$12,700 if married filing separately).

An estate or trust may be liable if the sum of taxable income plus tax preference items for excluded capital gains and adjusted itemized deductions is more than \$10,000.

Complete Form 6251 to see if you are liable for the alternative minimum tax, but you need not attach a copy of the form if you are not liable.

Line 1

Individuals—enter your adjusted gross income from Form 1040, line 32.

Estates and trusts—enter the taxable income from Form 1041, line 26, or Form 990-T, page 1, line 5, or page 2, line 33.

Note: Line 1 and line 3 can be less than zero. However, when you figure lines 1 and 2, you cannot include a deduction for any loss or expense allowable in figuring a net operating loss that can be carried back or forward.

If you used Schedule TC, Part II, enter the amount from line 5 of that Part on line 1 of Form 6251 instead of the amount from Form 1040, line 32. If you entered your earned income on Schedule TC, Part II, line 3, contact an Internal Revenue Service office.

Line 4a

Adjusted Itemized Deductions

If you are an individual—

Step 1.—Subtract from your total itemized deductions (Schedule A (Form 1040), line 39):

- (1) medical and dental expenses (Schedule A (Form 1040), line 10),
- (2) State, local, and foreign taxes (Schedule A (Form 1040), line 16),
- (3) casualty and theft losses (Schedule A (Form 1040), line 25), and
- (4) any deduction for estate tax allowable under section 691(c).

Step 2.—Subtract from your adjusted gross income (Form 1040, line 32), the items in (1) through (4) of step 1.

Step 3.—Multiply step 2 by 60%.

Step 4.—Subtract step 3 from step 1. Enter the result on line 4a. If less than zero, enter zero.

If an estate or trust—

Step 1.—Add all deductions other than:

- (1) those allowable in figuring adjusted gross income,
- (2) the deduction for personal exemption,
- (3) the deduction for casualty and theft losses,
- (4) the deduction for State, local, and foreign taxes,
- (5) the deduction allowed for distributions to beneficiaries,
- (6) the charitable deduction allowable to a trust to the extent that a corresponding amount is included in the gross income of the beneficiary of the trust, and

- (7) any deduction for estate tax allowable under section 691(c).

Step 2.—Subtract from adjusted gross income the items in (2) through (7) of step 1.

Step 3.—Multiply step 2 by 60%.

Step 4.—Subtract step 3 from step 1. Enter the result on line 4a. If less than zero, enter zero.

Note: Adjusted gross income for an estate or trust is figured in the same way as for an individual except that the following items are allowed in figuring adjusted gross income:

- (1) the costs of administration of the estate or trust; and
- (2) the charitable deduction to the extent provided in section 57(b) (2)(C).

Line 4b

Capital Gain Deduction

If you are an individual—

Enter:

- (1) The amount from Schedule D (Form 1040), line 22a or 31;
- (2) The amount from Form 4798, Part I, line 10a, if you report a pre-1970 capital loss carryover;
- (3) 60% of capital gain distributions if you did not use Schedule D or Form 4798.

Note: Do not include as a tax preference item the capital gain deduction attributable to a sale or exchange of a personal residence.

If an estate or trust—

Enter the capital gain deduction taken into account on Form 1041 or 990-T. However, an amount paid or permanently set aside for a charitable purpose is not a tax preference item.

Line 16

Estates and trusts—enter the amount from Form 1041, line 32, or Form 990-T, page 1, line 25.

Line 17

Estates and trusts—enter the amount from Form 1041, line 34, or Form 990-T, page 1, line 28.

Line 18

Estates and trusts—enter the amount from Form 1041, line 33, or Form 990-T, page 1, line 26.

Line 22

Foreign Tax Credit

If line 21 is greater than zero, and you have incurred foreign taxes and properly elect to take such foreign taxes as a credit, enter on line 22 the amount of foreign tax credit allowed against the alternative minimum tax. Figure this credit on a separate Form 1116 (not the Form 1116 you used to compute the credit on Form 1040, line 42), as follows:

- (1) Use a separate Form 1116 for each type of income specified at the top of Form 1116.
- (2) Print across the top of each Form 1116 used: "ALT MIN TAX."

- (3) Schedule A and Schedule C—Use your alternative minimum taxable income and items of gross income and deductions used in determining alternative minimum taxable income.

- (4) Schedule C—

- (a) Skip lines 1 to 3.
- (b) Insert on line 4 the result of the following:

- (i) the amount from Schedule C, line 4 of the Form 1116 used to figure the amount on line 42 of Form 1040, minus
- (ii) the amount from Schedule C, line 16 of that Form 1116, plus
- (iii) the lesser of (A) the amount from Schedule C, line 16 of that Form 1116, or (B) Form 6251, line 21 (or if more than one Form 1116 is being used for different types of income, an allocable portion of Form 6251, line 21).

- (c) Complete lines 5 through 7, substituting alternative minimum taxable income for taxable income on line 5.

- (d) Skip lines 8 and 9.

- (e) Line 10—Enter amount from Form 6251, line 5.

- (f) Complete line 11 as indicated on Schedule C.

- (g) Line 12—Enter amount from Form 6251, line 15.

- (h) Skip lines 13 and 14.

- (i) Line 15—Multiply line 12 by line 11.

- (5) Schedule D—Enter on line 22, Form 6251, the amount from line 7, Schedule D of this Form 1116 (but not more than the amount on Form 6251, line 21).

Line 23

If you are filing Form 1041, enter the amount from this line on Form 1041, line 35.

If you are filing Form 990-T, enter the amount from this line on Form 990-T, page 1, line 29.

Limitations on Amounts Treated as Tax Preference Items in Certain Cases.—See section 58(b) for limitations where the tax preference item did not result in a tax benefit. If limitations apply, attach a schedule showing computation.

Partners, Beneficiaries of Estates and Trusts, etc.

If you are a partner—

You must take into account separately your distributive share of items of income and deductions that enter into the computation of tax preference items. If you are a partner and have elected the optional adjustment to basis (see section 743), adjust the tax preference items that apply to reflect the election.

If you are a—

- (1) Beneficiary of an estate or trust, see section 58(c).
- (2) Shareholder of an electing small business corporation, see section 58(d).
- (3) Participant in a common trust fund, see section 58(e).
- (4) Shareholder or holder of beneficial interest in a regulated investment company or a real estate investment trust, see section 58(f).

283-474-1

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Please take a few moments to answer the following questions concerning this *Statistics of Income* publication. Your responses will enable us to direct our efforts to meeting the needs of our users. After indicating your responses, please fold, tape, and mail. No postage is required. Thank you for your cooperation.

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