1982 Annual Report
Commissioner and Chief Counsel
Internal Revenue Service

Reference
Do Not Remove
Note:
Statistical data used in the text and tables of this volume are on a fiscal year basis, unless otherwise noted. For example, data headed “1982” pertain to the fiscal year ended Sept. 30, 1982.

Graphs, charts and text figures have been rounded and may not compute precisely compared to the statistical tables, which are based on unrounded figures.

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**Internal Revenue Service Regions, Districts and Service Centers; Chief Counsel Regional and District Offices**/79
Introduction

The Internal Revenue Service was reorganized in 1981 to improve the effectiveness of top management and make the agency more responsive to the growing and changing needs of the tax system.

Three new associate commissioners—for operations, policy and management, and data processing—are responsible for developing, overseeing and controlling policy in their respective areas. They form a group small enough to be an effective policy-review body, yet with enough breadth of responsibility to cover all IRS functions. The associate commissioners are the senior officials the deputy commissioner and I rely on for advice in applying the IRS’s resources and programs to the changing needs of tax administration.

In the reorganization, we elevated our enforcement functions—examination, collection, and criminal investigation—to the assistant commissioner rank to correspond to the important role they play in the continued success of our voluntary compliance system. Under this new arrangement, these enforcement activities are receiving more sharply focused, top-level attention, and the new alignment has helped us to coordinate better our overall enforcement program.

The reorganization also transferred two rulings divisions and the appeals division to the office of Chief Counsel. These changes were made to increase efficiency and coordination, achieve maximum effective use of our technical resources and align more closely administrative settlement policies with our litigating position.

We re-examined and revised our settlement procedures in tax shelter cases in an effort to give earlier and more effective recognition to litigation issues. This already has proven helpful in reducing the backlog in our administrative appeals system as well as the Tax Court. We have revised our examination procedures in an effort to close shelter cases at the lowest possible level. We have made it clear, however, that we will use vigorously the enforcement and compliance provisions of the 1981 and 1982 tax acts to assure taxpayers that others are paying their share.

During 1982 we examined in depth our priorities in planning and preparing for the rest of this decade and beyond. Computer technology is the backbone of our operations, and the program for modernizing and replacing our outmoded data processing equipment is well underway. Also underway are plans to computerize our collection process and certain aspects of our examination activities. Computerization will reduce the enormous amount of time and resources consumed by current labor intensive manual procedures in both these areas and will allow us to use our limited resources in those and other areas to the best advantage.

Our self-assessment system remains the most successful tax system the world has ever seen. As stewards of the public trust, we at the IRS are dedicated to the administration of that system as efficiently and effectively as possible.

Roscoe L. Egger, Jr.
Commissioner of Internal Revenue

Introduction

This year has been one of innovation and change for the office of Chief Counsel. We welcome to Counsel our colleagues in the appeals, individual tax, corporate tax, and corporation tax divisions, who came to us as a result of the overall IRS reorganization. The realignment of the office of Chief Counsel has brought under common management such related activities as administrative appeals, litigation and regulations and rulings.

To ensure efficient administration of the reorganized office, a deputy chief counsel was designated to assist me in the overall supervision of Counsel activities and in the development and execution of programs. The operations division now reports to the deputy chief counsel.

The new associate chief counsel (technical) will use the new structure to improve coordination and timeliness and to reduce duplicative efforts in the legislation and regulations, employee plans and exempt organizations, corporation tax, individual and corporate tax and interpretative divisions. Similarly, all National Office litigation divisions—tax litigation, criminal tax, general litigation, disclosure litigation and general legal services—now report to a new associate chief counsel (litigation).

Transfer of the appeals division to Counsel should facilitate the flow of information and assistance between appeals officers and Counsel attorneys. As a result, we hope to develop a common approach to cases so we can make our best settlement offer earlier in the appeals process.

We also have adopted new procedures to bolster effectiveness and efficiency:

- Revenue Procedure 80-42 increases the flexibility of existing docketed case procedures by providing the maximum opportunity for appeals to resolve cases without trial.
- Increased emphasis on the simultaneous review of rulings, rather than sequential review, ensures adequate internal review with fewer delays.
- Small tax case procedures have been simplified to reduce paperwork and to accommodate the practical considerations encountered in dealing with unrepresented taxpayers in litigation.
- New procedures for setting priorities for development and clearance of regulations have been developed in coordination with the Department of the Treasury.
- The new settlement program in the tax shelter area has resulted in the closing of a significant number of tax shelter cases.
Collecting the Revenue

Returns Received

The IRS received and processed 170.4 million tax returns and supplemental documents during 1982. Over 95 million, or 56 percent, of all returns filed this year were individual income tax returns. Of these, 37.6 million individual taxpayers filed short Forms 1040A and 57.9 million used Forms 1040.

Tax Receipts

The IRS collected gross tax receipts of $332.2 billion in 1982, an increase of $25.4 billion, or 4.2 percent, over 1981. The increase was the smallest since 1976, mainly due to tax reductions under the Economic Recovery Tax Act of 1981 and the weakness of the economy.

Income taxes accounted for about two-thirds of all tax receipts. Individual income taxes of $352.6 billion reflected an increase of $19.8 billion, or 5.9 percent, over the prior year. Corporation income tax receipts were $66 billion, down $7.7 billion, or 10.5 percent.

Social security, self-employment, federal unemployment and railroad retirement taxes totaled $168.7 billion, up $15.8 billion, or 10.4 percent, from 1981. The rise reflects an increase in the social security tax rate from 13.3 to 13.4 percent on Jan. 1, 1982, and an increase in the taxable earnings base from $29,700 in 1981 to $32,400 in 1982.

Excise taxes declined to $36.8 billion, a drop of $3.6 billion, or 9 percent, from last year. Estate and gift taxes increased by $1.2 billion, or 17.8 percent, to $8.1 billion.

Refunds

The IRS in 1982 paid a total of $75.2 billion in refunds to 74.5 million taxpayers. In 1981, 73.6 million refunds totaling $63.3 billion were paid. This year refunds to 71.6 million filers of Forms 1040 and 1040A were $55.1 billion, including interest. Individual refunds averaged $769, compared to an average of $679 paid to 71.3 million individual taxpayers in 1981.

<table>
<thead>
<tr>
<th>Type of return</th>
<th>1981</th>
<th>1982</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of returns</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand total</td>
<td>166,528</td>
<td>170,369</td>
</tr>
<tr>
<td>filed by principal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax, total</td>
<td>139,556</td>
<td>133,819</td>
</tr>
<tr>
<td>type of return</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual</td>
<td>94,018</td>
<td>95,482</td>
</tr>
<tr>
<td>(Figures in thousands.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Declaration of estimated tax</td>
<td>30,347</td>
<td>31,863</td>
</tr>
<tr>
<td>Fiduciary</td>
<td>1,917</td>
<td>1,964</td>
</tr>
</tbody>
</table>

For details see statistical table 6.) Partnership 1,467 1,561
Corporation 2,806 2,900
Estate tax 146 135
Gift tax 199 100
Employment tax 26,063 25,835
Exempt organizations 409 444
Employee plans 796 1,021
Alcohol, tobacco and firearms 522 233
Excise tax 971 1,172
Supplemental documents 6,817 7,556
Non-master file returns 56 55

*includes Forms 1040, 1120, 1120C, 1120S, 1120X, 1041, 1041A and 990-ARC.
*includes Forms 1120M, 941A/M, CT-3, 946, 946A, 946B, 1041, 1042, 1120/USC and 720M.
earned income credit

Low-income taxpayers who maintain a home for themselves and at least one dependent may claim earned income credits. In 1982, 6.5 million taxpayers claimed $1.6 billion in earned income credits. Some of these taxpayers received earned income credits in their paychecks rather than waiting for a refund after filing their individual income tax returns for the tax year. This year employers reported on 25,319 employment tax returns that $43 million in earned income credits had been paid in advance.

penalties and interest

Under the law the IRS levies penalties, such as those for failure to pay taxes due and to deposit federal tax deposits, paying with bad checks, late filing, negligence and fraud. There were 26.3 million penalties assessed in 1982, totaling $5.1 billion. The law also provides that taxpayers who fail to pay their taxes on time will be charged interest on any balance due. This year $1.3 billion in interest was assessed on individual returns, with abatements totaling $99.1 million. Interest assessed on business returns totaled $3.7 billion, of which $603 million was abated.

presidential election campaign fund

This year 25.7 million individual income tax returns, or 27 percent, had designations for the presidential election campaign fund. Designations amounted to $39 million, compared to $41 million designated in 1981 on 27 million individual tax returns, or 28.7 percent of those processed. The cumulative amount credited to the fund since it was started in 1972 is $326.2 million.

combined annual wage reporting

Combined annual wage reporting reduces the reporting burden on employers while still satisfying the requirements of the IRS and Social Security Administration. The reconciliation portion of this program ensures that the amounts reported on employment tax returns filed with the IRS agree with Forms W-2 filed with Social Security. The reconciliation ensures that the correct tax has been reported to the government and that employees received the proper Federal Insurance Contributions Act coverage.

child and spousal support collection program

Beginning in 1982, the IRS offset $171.3 million from 273,423 individual income tax refunds to pay delinquent child and spousal support obligations. This refund offset action was required by the Omnibus Reconciliation Act of 1981. Under an inter-agency agreement between the IRS and the Department of Health and Human Services, the IRS acts as collection agent for state welfare agencies that supply the names and other pertinent data regarding persons delinquent in support payments.
Enforcing the Law

Examination and Correction Results

The IRS examination program in 1982 resulted in recommendations for additional tax and penalties of $11.7 billion, compared to $16.5 billion in 1981. Individual and fiduciary income tax returns accounted for $3 billion, corporate income tax returns for $7.2 billion, estate and gift returns for $0.8 billion, employment and excise returns for $0.2 billion, and windfall profit returns for $0.5 billion.

The examination program also disclosed over- assessments on 114,602 returns, resulting in refunds of $4.5 billion.

The IRS examined 1,792,232 returns in 1982. Revenue agents examined 554,154 returns at taxpayers’ residences or places of business, a decrease of 2,930 returns, or 0.5 percent from 1981. Tax auditors examined 1,074,905 returns, mainly in IRS offices, a decrease of 136,785 returns, or 11.3 percent from last year. The remaining 103,173 returns were examined through correspondence from the service centers, a decrease of 58,345 from 1981.

Examination coverage of income, estate and gift tax returns was 1.63 percent, compared to 1.84 percent in 1981.

In addition to the examination program, the IRS verified or corrected 716,193 returns through correspondence from the service centers. This is a decrease of 97,030 returns, or 12 percent, from 1981. Recommended additional tax and penalties totaled $268 million, compared to $205 million in 1981.

Information Returns Program

As a result of the information returns program, the IRS notified over 2.6 million taxpayers in 1982 of potential discrepancies between income reported on their tax returns and income reported on information returns and sent notices of apparent failure to file tax returns to 2.1 million taxpayers.

The IRS received 164 million information documents in its tax year 1981 information returns program, including over 178 million Forms W-2 received and processed by the Social Security Administration and 50 million pre-1974 Series E savings bonds from the Bureau of Public Debt. There also were more than $35 million information returns received from businesses and organizations reporting interest, dividends and other payments.

The IRS will continue to match most information returns submitted on magnetic media to verify that correct amounts are reported on taxpayers’ returns. Over 354 million of the information documents submitted last year were on magnetic media. Of the information returns submitted on paper, approximately 21 percent will be matched, and 82 percent of the combined magnetic media and paper receipts will be matched.

Unreported Income Programs

The IRS unreported income programs have identified more than 37,792 returns, reflecting a noncompliance rate of 69 percent. The most significant programs in this area are district information gathering projects on unreported income, of which there are more than 360 nationwide. There also are 16 regional projects and one national project.

Tax Shelter Program

As of Sept. 30, 1982, 204,828 returns with tax shelter issues were in the examination process, an increase of 30,609 returns over the prior year. During 1982, 71,793 returns were closed after examination, with recommended tax and penalties totaling $954.2 million.

The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) contained provisions to curb promotions of tax shelters and expedite processing of partnership returns. The Act provided penalties for the promotion or sale of schemes involving gross valuation overstatement or false or fraudulent representation of material matters and gave the IRS the right to enjoin any person from further sales or promotion of abusive shelters.

Because TEFRA provided for singular treatment of partnership tax items, administrative processing of cases will involve fewer repetitive reports and appeals. Judicial hearings also were limited under the Act.

Tax Protesters Program

The IRS had 30,956 protest returns under examination and had closed 10,378 returns as of Sept. 30, 1982, a 12.1 percent increase over the prior year. Illegal forms of tax protest continue to be of concern to the IRS, which in 1982 improved procedures for identifying new schemes and examining tax returns of illegal tax protesters. The Service centers began new procedures to identify protest returns during filing season return processing, and new audit technique guidelines, in conjunction with common scheme definitions, were issued to assist examiners in more effectively completing protest return examinations.
W-4 Program

The IRS aggressively pursued identification of employees who file incorrect withholding allowances certificates, Forms W-4, with employers to avoid having income tax withheld from wages. Where appropriate, the $500 civil penalty for filing false wage withholding information was asserted.

The IRS issued proposed regulations in 1982 that allowed employees to take into consideration items that reduce tax liability, such as employee business and moving expenses, contributions to IRAs and losses. Final regulations issued in January require employers to submit to the IRS Forms W-4 received from their employees that claim in excess of 14 withholding allowances or exemption from withholding, if the employee's wages usually exceed $200 per week.

Fraud Program

The IRS continued to place heavy emphasis on fraud detection during the examination process, which produced an 8 percent increase in the number of fraud returns submitted to the criminal investigation division, in turn, the number of examination division referrals for each 1,000 returns examined increased by 17 percent.

The amount of recommended civil fraud penalties, which equal 50 percent of the entire additional tax due if any part of the underpayment is due to fraud, increased by 22 percent.

Computer Assisted Examination Program

Computer techniques have increased the overall quality and efficiency of tax examinations. The IRS currently has a staff of 230 computer audit specialists trained in computer systems, hardware and program languages.

The IRS in 1982 expanded its use of scientific statistical sampling techniques in corporate examinations, determining $37 billion in tax deficiencies in this manner.

The IRS has a total of 4,771 record retention agreements in effect with taxpayers. These agreements identify those machine sensible records that must be retained by taxpayers and made available to the IRS during an examination.

Large Corporations and the Industry Specialization Program

At the end of 1982 there were 1,438 large corporation cases in the coordinated examination program, and recommended tax deficiencies and penalties totaled $5.77 billion this year, compared to $4.33 billion in 1981.

The IRS improved the coordinated examination program this year by increasing taxpayer involvement in the examination process, eliminating or making discretionary several administrative and technical procedures and changing the team member and case manager rotation policy.

The industry specialization program included 13 designated industries and encompassed 652 coordinated examination cases, with 79 issues being coordinated. The IRS also is conducting industrywide examinations in two other industries.

Windfall Profit Tax

Windfall profit tax liabilities reported on excise tax returns processed through Sept. 30, 1982, amounted to $22 billion.

During 1982 the IRS initiated an examination program for windfall profit tax and completed 507 examinations, resulting in $4.5 billion in recommended additional tax and penalties. As of Sept. 30, 1982, there were 6,588 windfall profit tax cases in the process of examination.

International Enforcement

In 1982 international examiners trained in the international provisions of the Internal Revenue Code, tax treaties and foreign tax statutes examined 2,976 returns, and the tax value of their recommended adjustments and penalties reached a record high of $3.7 billion.

Approximately 230 international examiners in 15 key districts handle examinations of business operations outside the U.S.—the majority involving multinational corporations—and foreign controlled U.S. business operations where the books and records are maintained or can be made available in this country.

The Tax Equity and Fiscal Responsibility Act of 1982 strengthened compliance by penalizing taxpayers who fail to comply with certain foreign based IRS document requests, instituting information requirements for certain foreign owned corporations and modifying return requirements and due dates relating to foreign corporations and foreign trusts.

New procedures for examiners and publication of a revenue procedure dealing with taxpayers responsibilities in international double taxation cases improved effectiveness and efficiency in processing requests for U.S. competent authority consideration.

The IRS has strengthened its international compliance activities with respect to tax havens by restructurings the examination issues within the international enforcement program to include tax havens as the top priority and developing more effective training for international examiners.

Industrywide Exchanges and Simultaneous Examinations

During 1982 the IRS expanded international cooperative activities with income tax treaty partners in the areas of industrywide exchanges of information and simultaneous examinations. Industrywide exchanges of information are being conducted with treaty partners in the aluminum, banking, grain, forest products, pharmaceutical and petroleum industries.

In addition, the IRS has several simultaneous examinations in process. Both these activities have resulted in a better understanding of the worldwide economic operations of certain multinational taxpayers and promoted international tax compliance.

International Meetings

IRS executives attended two international meetings with representatives of income tax treaty partners to discuss issues that affect international cooperation.

One meeting was with European tax treaty partners and the other with Pacific Basin treaty partners, including Canada.

Foreign Operations

The IRS Foreign Operations District completed over 18,000 examinations and recommended additional tax and penalties of nearly $160 million. It also collected $11.8 million in delinquent taxes and secured $4.545 delinquent returns from U.S. taxpayers located abroad.

As part of the IRS reorganization, the Foreign Operations District replaced the Office of International Operations. The new district for foreign operations remains in Washington, but is under the jurisdiction of the Mid-Atlantic Region. This change placed international operations at the field office level, assuring this area the same regional office management as other IRS field operations.

The Foreign Operations District administers the tax laws for foreign based taxpayers subject to U.S. taxes whose books and records are in another country. It also is responsible for federal tax matters of residents of U.S. territories, possessions and the Commonwealth of Puerto Rico. Cases involving foreign taxpayers whose books and records are located in the U.S. will now be handled, however, by the IRS district office with geographical jurisdiction.

The IRS continues to maintain 16 key foreign posts, managed by revenue service representatives who oversee the examination, collection and taxpayer service programs. They also serve as liaisons with foreign tax authorities in both treaty and non-treaty countries.

Research to Improve Compliance

The IRS is conducting several studies of ways to supplement the discriminant function, or DIS, system of selecting returns for examination. Variations computerized selection systems to identify returns with high potential for unreported income are being studied, as are possible abuses of cash and noncash contributions. In addition, a study of the compliance...
and return characteristics of direct sellers is planned.

The taxpayer compliance measurement program (TCPM) is the IRS's primary long-range research effort to measure overall taxpayer compliance and changes in patterns of noncompliance. This program is supported by the TCMP survey of tax year 1979 Forms 1040 and 1040A filed in 1980 and continued TCMP examinations on corporations with assets under $10 million.

In addition to TCMP, the IRS conducts other types of compliance research, some of which focus on specific Internal Revenue Code sections. During 1982 studies were completed on state income tax refunds, gains on sales of residences and changes in accounting methods. The IRS also began to develop computerized monitoring of age-65 exemptions and duplicate exemptions for dependents. Compliance research also was conducted on information returns and continuing TCMP examinations on corporations and the taxpayer compliance measurement program investments transferred to the districts are first handled by clerical and paraprofessional employees in the collection office functions, which in 1982 closed over 55 percent of delinquent accounts and over 64 percent of delinquent return investigations. More difficult delinquent accounts and return investigations that cannot be resolved in the collection office function are referred to the collection field function. Last year revenue officers in the field function closed 270,458 delinquent return investigations and 984,977 delinquent accounts.

Service Center Collection

The service center collection branches, which handle corporate delinquency and balance due notices, are the first step in communication with taxpayers who have not filed their tax returns or paid their taxes. Many procedures that were previously performed in the districts were absorbed by the service center collection branches, including the monitoring of employers' monthly tax returns, insolvency case processing and the control, maintenance and monitoring of 100 percent penalty cases. Moving these additional programs to the service centers allowed the district offices to redirect resources to higher priority work.

District Collection

The district collection functions handle delinquent accounts or delinquent return investigations not resolved by notices from the service centers. In 1982 district collection functions served 1,658,452 notices of levy, filed 595,417 notices of federal tax lien and conducted 10,533 seizures.

More delinquent accounts and delinquency investigations transferred to the districts are first handled by clerical and paraprofessional employees in the collection office functions, which in 1982 closed over 55 percent of delinquent accounts and over 64 percent of delinquent return investigations. More difficult delinquent accounts and return investigations that cannot be resolved in the collection office function are referred to the collection field function. Last year revenue officers in the field function closed 270,458 delinquent return investigations and 984,977 delinquent accounts.

Efforts to Improve Collection

This year the IRS addressed rising collection inventories by initiating several new studies, programs and equipment procurements. These efforts coupled with increased staffing and numerous legislative changes, particularly new penalty and interest provisions, will help the IRS deal more effectively with increases in delinquent accounts and return delinquency.

The IRS began a research project in 1982 to determine whether revenue yield can be increased if the accounts of identifiable groups of taxpayers are handled differently. A total of 50,000 individual income delinquent accounts are being handled in six different ways. All cases receive the same first notice of delinquency. Subsequently, the taxpayers are dealt with in one of six different ways, such as varying the timing of subsequent notices, using telephone calls instead of sending certain notices or offering installment agreements. Final results of the project will be available in 1984.

The IRS also conducted approximately 22,000 taxpayer compliance measurement program investigations of potential nonfilers of tax year 1979 income tax returns. The study measures the extent of nonfilting among individuals for whom the IRS has received wage or other income information returns and individuals who are on the master file computer system but have stopped filing. The data also will be used to improve the case selection system for potential nonfilers. The entire study is planned to be completed in 1984; the IRS was recommended in the 1981 report that will be ready in 1985.

The IRS monitors federal tax deposits and issuing alerts when taxpayers do not make required deposits. As a result of improvements to this program, the IRS is now verifying federal tax deposit compliance of a greater number of taxpayers at an earlier point in time.

Returns compliance programs were conducted in three new areas during 1982. Approximately 15,000 leads were investigated to determine compliance of windfall profit tax files. Another 2,000 leads were checked to determine compliance with the payment of two new excise taxes imposed by the Comprehensive Environmental Response Compensation and Liability Act of 1980. And a compliance program was begun to identify and contact employers not submitting W-4s to the IRS to determine if they were aware of and complying with the employ

Automated Collection System

The IRS will test an automated collection system in four districts in 1982. The system will be fully operational nationwide in 1984. The automated collection system is a virtually paperless computerized and processing and telephone system that will use only 22 call sites to complete the delinquent account and return delinquency case processing currently done by 71 local offices. The system contains many features, such as automatic dialing, direct entry of case history and immediate access to information that will increase productivity and, at the same time, improve relations with taxpayers and their representatives.

Aside from the automated collection system, the IRS has made significant improvements in its telephone systems. In 11 districts, collection is using an automatic call distribution systems that permit the answering of more calls in a more efficient manner. These systems also provide needed management information on which to base further decisions regarding equipment and staffing needs.

Criminal Investigation

The IRS criminal investigation division initiated 9,498 investigations of possible criminal violations of internal revenue laws during 1982. Prosecution was recommended in 2,067 of the 5,451 completed investigations. Grand juries indicted or U.S. attorneys filed informations on 1,644 taxpayers, and prosecution was successfully completed in 1,624 cases.

Taxpayers pleaded guilty or nolo contendere in 1,291 cases, and 15 were convicted after trial. Accuittals and dismissals totaled 65 and() respectively. Of the 1,585 taxpayers sentenced during the year, 137, or 8 percent, received prison sentences.

General Enforcement Program

Of the 6,498 investigations the IRS initiated this year, 4,422 were in the general enforcement program, which provides balanced geographical and occupational criminal tax enforcement. Priority enforce
ment efforts included investigations of multiple
related schemes, illegal tax promoters and promot-
ors of fraudulent tax shelters.
The questionable refund program accounted for
358 investigations and 249 prosecution recommenda-
tions. Indictments or informations were filed against 218 and convictions were ob-
tained against 157. Of the 181 sentenced during the
year, 76 percent received prison sentences.
The IRS began 629 criminal investigations of
illegal activities and obtained 111 indictments or in-
formations. There were 114 convictions and 129 were sentenced, with 72 percent receiving jail
sentences.
As of Sept. 30, 1982, the IRS had 201 open
investigations of promoters and operators of fraudu-
 lent tax shelters. Federal grand juries have been
established across the country primarily to consider
tax shelter related crimes, and during the year there
were 41 indictments or informations and 53 convic-
tions. Of the 27 sentenced, 74 percent received jail
sentences.
Special Enforcement Program
The special enforcement program identifies and
investigates those individuals who violate the tax
laws while deriving substantial income from illegal
activities. The IRS under this program initiated 2,075
investigations, gained 951 prosecution recommenda-
tions and won 555 convictions.
In its efforts against organized crime, the IRS
emphasizes cooperation with other law enforcement
agencies, provides assistance to grand jury inves-
tigations and participates in the federal strike force
program coordinated by attorneys from the Depart-
ment of Justice. The financial gain documented by
the IRS in inter-agency investigations often provides
the basis for seizing assets acquired with the profits
of crime and convicting individuals of tax crimes
when conviction on other illegal activities cannot be
obtained.
The IRS also continued in 1982 to emphasize
investigations of high-level drug traffickers. Statis-
tics and money launderers. As of Sept. 30, 1982,
there were 875 such cases under investigation and
another 252 undergoing IRS and Department of
Justice reviews before indictment. During the year
the IRS obtained 180 indictments or informations, 121
convictions and 103 sentences in this area, with 76 percent receiving prison sentences that
averaged over five years.
The IRS also participates in financial investiga-
tive task forces established by U.S. attorneys to
coordinate federal law enforcement agencies’ efforts
against major narcotics organizations. The IRS is
participating in an investigation in Florida of money
launders and corrupt bank officials who violate the
currency laws while depositing proceeds from
narcotics trafficking in financial institutions.
Employee Plans
The IRS issued 144,490 advance determination
letters on the qualification of corporate and self-em-
ployed plans last year and examined 16,358 plans
already in operation to determine their qualification,
verify employers’ allowable deductions for contribu-
tions to plans and assure that the rights and benefits
of plan participants are protected.
made several important changes in the law pertaining
to employee plans and caused a significant
increase in employee plans workload. The IRS took
several administrative actions to minimize this in-
crease, including the issuance of Notice 82-3, which
informed individuals, employers and plan sponsors
of the major changes brought about by ERTA. The
notice explained amendments that may be made to
certain plans and the effect of these amendments on
prior favorable determination, notification or opin-
ion letters. Plan administrators thus were provided
guidance for continued reliance on previously is-
sued favorable letters, and eliminating the need to
apply for new letters increased the administrative
and procedural burden on sponsors and employers
choosing to take advantage of the provisions of
ERTA.
Under the triennial reporting system adopted in
1980 by the IRS, the Department of Labor and the
Pension Benefit Guarantee Corporation, plans file
Forms 5500-C and 5500-K once every three years and
Form 5500-R in the intervening years. Administra-
tors and sponsors of small plans, however, indicated
that filing Form 5500-K for two separate years
would be burdensome, so the IRS in 1982 agreed to
accept Form 550-C or 5500-K each year in place of
Form 5500-R.
Through the coordinated compliance agreement,
the IRS and the Department of Labor continued in
1982 to minimize the duplication of examinations.
A joint IRS/Department of Labor task force also re-
vised the agreement to improve coordination be-
tween the two agencies.
The IRS completed a taxpayer compliance meas-
urement program (TCMP) for employee benefit plan
returns with a high probability of noncompli-
ance under ERISA. The results of the TCMP survey
will be integrated with this system to improve
further the selection of employer plans returns for
examination.
Second year of the National Office post review
program, which ended June 30, 1982. 1,581 cases were reviewed to ensure that all em-
ployee plans key district offices uniformly applied
the law and IRS procedures when issuing determina-
tion letters on qualification of plans.
Exempt Organizations
The IRS-exempt organizations activity in 1982 issued
or reviewed 16 revenue rulings and procedures and
218 technical advice memoranda and examined
213-288 exempt organizations returns. The IRS also
acted on 56,436 applications, reapplications and
requests for rulings from organizations.
This year was the first in which exempt organiza-
tions used the revised Form 990. Ruling of Organiza-
tion Exempt from Income Tax, which enables them
to file the same form with both the federal and state
governments. Thirty-two states and the District of
Columbia now use the revised form.

The IRS received 3,842 requests for decisions
other than private foundations from filing annual
information returns. For tax years ending on or after
Dec. 31, 1982, only certain organizations with gross
receipts not normally in excess of $5,000 will not be
required to file an annual information return. Previ-
ously these organizations had to file if their gross
receipts were normally in excess of $10,000.

The Department of the Treasury announced on
Jan. 8, 1982, that it was unable to support the legal
authority of the IRS’s enforcement of public policy in
denying tax exemption to racially discriminatory
private schools. In addition, the Department of Just-
ice asked that the court of appeals decisions in the
Bob Jones University and Goldthorpe Christian
Schools cases be vacated as the issue was now moot.
The U.S. Supreme Court had granted certiorari in
these cases in October 1981. Subsequently the U.S.
Court of Appeals for the District of Columbia, in the
case of Wright v. Regan, enjoined the IRS from
granting or restoring exempt status to any racially
discriminatory private school, thus precluding the
carrying out nationwide of the Jan. 8, 1982, policy
change. Proposed legislation then was submitted to
Congress that would provide express authority to
deny tax-exempt status to racially discriminatory
private schools and the organizations operating
them. The Department of Justice later reversed its
request of Jan. 8 and asked the Supreme Court to
hear the Goldthorpe and Bob Jones cases.

On April 19, 1982, the Supreme Court agreed.
The IRS continued to operate in 1982 under
congressional budget restrictions prohibition or filing
from formulating or carrying out any rules, guidelines,
court orders or similar measures regarding private
schools; unless there were in effect prior to Aug. 22,
1978.
The full U.S. Court of Appeals for the District of
Columbia found, in the case of Taxation with Repre-
sentation v. Regan, that the different lobbying re-
strictions for section 501(c)(3) charities and section
501(c)(19) veterans organizations resulted in un-
equal treatment that was unconstitutional. The ap-
pellate court remanded the case to the district court
to consider either removing the section 501(c)(3)
lobbying limitation or sacrificing the section 501(c)(19)
provision permitting lobbying.
A U.S. district court judge refused to dismiss for
lack of standing a suit filed by Abortion Rights
Mobilization, Inc., alleging that the Catholic Church
violates the provisions of its tax exemption by
campaigning for anti-abortion candidates. The plain-
iffs allege violations of the First and Fifth Amend-
ments; claiming that the IRS has failed to enforce
against the Catholic Church the tax law restrictions
on political activity by charities.
Assisting Taxpayers

Write, Call or Walk In

The IRS during 1982 received about 39.2 million telephone, 8.1 million walk-ins and 138,000 written inquiries from taxpayers requesting information about their tax rights and obligations. The IRS overall responded to 47.4 million requests for assistance, an increase of more than 2.6 million inquiries from 1981.

Nearly 57 percent, or 27 million inquiries, occurred between Jan. 1 and April 24. 22 million telephone calls, 5 million walk-ins and 46,000 pieces of correspondence. During this same period, a quality check of 155,000 telephone responses and returns prepared with the assistance of IRS employees found an overall accuracy rate of 98 percent.

Toll-Free Telephone Assistance

Nearly all of the telephone calls received during the 1982 tax return filing period were made through the toll-free telephone system that allows taxpayers throughout the country to call the IRS for information without paying long-distance charges. Frontline assistants answered almost 89 percent of these calls.

Those calls requiring computer research or more advanced technical assistance were referred to IRS employees who have received specialized training in those areas. This year the IRS answered 3.3 million taxpayer account and problem resolution referrals and 2.3 million technical referrals.

Special equipment allows hearing-impaired taxpayers throughout the U.S., Puerto Rico and the Virgin Islands to receive toll-free tax assistance, and 1,914 taxpayers received such assistance in 1982.

Walk-in Service

Walk-in taxpayer assistance was offered at inner-city, business-district, suburban and rural locations in 529 permanent offices and 76 temporary offices opened especially for the filing period. Over 38,000 banks and Postal Service locations also helped distribute more than 280 million tax forms and instructions.

The IRS provided foreign language assistance at 165 of its 615 taxpayer service offices. Spanish language assistance was offered at 142 of these offices by 522 employees, while 97 offices and 205 employees helped taxpayers in other languages.

Problem Resolution Program

The problem resolution program resolved 256,496 individual taxpayer problems in 1982. Problem resolution officers oversee the program in each of the IRS's 60 districts, 10 service centers and seven regions, while the taxpayer advocate, who is on the Commissioner's immediate staff, administered the program nationwide.

The problem resolution program's major emphasis this year was on remedying systemic and procedural weaknesses. As a result, tax return filing requirements and IRS initiated correspondence were made clearer for taxpayers.

Disaster Assistance

The IRS provided help in preparing amended returns and casualty loss claims and in getting refunds to taxpayers faster in 94 counties in 20 states affected by floods, hurricanes, tornadoes and other emergencies and major disasters in 1982.

Educing Taxpayers

The IRS in 1982 provided instructional materials for nearly 5 million students as part of its "Understanding Taxes" course, which helps young people understand their tax rights and obligations. The IRS sponsored workshops for 31,000 small business owners and over 550 institutes for tax practitioners.

Approximately 113,000 U.S. taxpayers in 55 cities in 17 foreign countries also sought IRS assistance, and another 1,712 taxpayers attended 56 overseas tax seminars. The IRS conducted nine military tax schools overseas that attracted 620 participants, who then helped armed services personnel prepare their own tax returns.

Through the volunteer income tax assistance program, the IRS recruited, trained and supported volunteers who assist with the preparation of tax returns for low-income, elderly, non-English speaking, handicapped and military taxpayers. This year 349,000 federal income tax returns were prepared by 33,000 volunteers. The tax counseling for the elderly program, begun in 1980, authorizes the IRS to enter into agreements with non-profit organizations to provide free tax help to individuals age 60 and over, using volunteers who are reimbursed for out-of-pocket expenses.

During 1982, 12,000 volunteers prepared 116,000 federal income tax returns through this program.

Informing Taxpayers

A three-hour IRS tax clinic, entitled "Your Tax Return: The Bottom Line on Improving Your Form," was aired nationally by 184 public broadcasting stations during this year's filing season. The program, viewed in approximately 3.1 million households, focused on how to complete a tax return as well as other helpful tips and filing information. The program also encouraged viewers to call a toll-free number with their questions.

IRS public service announcements received an estimated 65.5 million of free network and local television air time. The IRS also sent taxpayer information materials to many national and specialized publications. Subjects covered included various tax credits, appeal rights and an explanation of new tax legislation.

The National Office and seven field locations in 1982 issued 6,805 news releases and responded to over 24,000 media inquiries.

Forms and Publications

The simplification of tax forms is an important part of the IRS's effort to reduce the paperwork burden imposed on taxpayers. The IRS will introduce for the 1983 filing period the new Form 1040EZ, which has fewer lines and is easier to complete than Form 1040A. The form can be used by an estimated 22 million single taxpayers.

The IRS also simplified or improved a number of other forms, including Schedule A (Form 1040) and Form 941.

IRS public hearings in Honolulu, Jacksonville, Fla., and St. Paul, Minn., provided many suggestions on how to simplify the tax forms and instructions. The IRS received other suggestions in response to the Commissioner's message in this year's tax form packages and to a notice published in the Federal Register. The IRS has adopted a number of these suggestions and is considering others for possible inclusion in future years' forms.

The IRS distributed many taxpayer information publications free of charge, including 3.9 million copies of the "Tax Guide for Commercial Fishers," 741,000 copies of the "Farmer's Tax Guide" and 96,000 copies of the "Tax Guide for Commercial Fishermen." Additional tax materials were furnished to 8.3 million taxpayers, 241,000 tax practitioners and 438,000 employers. The IRS publishes more than 50 booklets—in Spanish—on specific tax topics.
Managing the System

Internal Audit

IRS management actions on 1982 internal audits resulted in additional revenue and cost savings of $1.39 billion and long-term actions to implement internal audit recommendations will realize an additional $656 million. All of these additional revenues and cost savings will have recurring benefits. The IRS spent approximately 85 percent of its direct internal audit time in 1982 reviewing the processing of returns, collection of tax revenues and enforcement of the tax laws. More than 53 percent of internal audit time was devoted to 62 coordinated audits, which evaluated IRS programs on a national or regional basis and resulted in more efficient operations, more effective programs and procedures and stronger internal controls. The IRS distributed abstracts of internal audit findings to its officials monthly to alert them to areas that may need increased management attention. Top management also received reports on the implementation and effectiveness of actions taken in response to General Accounting Office reviews of IRS activities.

Internal Security

The internal security division's investigations to protect the integrity of the IRS resulted in the arrest or indictment of 95 taxpayers and tax practitioners and 272 current or former IRS employees. There were 27 convictions or guilty pleas in the cases of 121 individuals arrested or indicted in 1982 or earlier. Of these convictions, 18 were for bribery and 21 for assault, while the rest involved conspiracy to defraud the government, embezzlement, impersonation of a federal officer, narcotics and other offenses.

The internal security division completed 5,495 background investigations of employees during the year and conducted police record checks on all persons considered for temporary appointments. These investigations and record searches resulted in the rejection of 72 job applicants and administrative actions against 332 employees. Internal security also conducted 902 investigations of alleged employee misconduct, with 74 resulting in exoneration of the employees involved.

Assaults and threats against IRS employees increased from 455 in 1981 to 485 in 1982.

Integrity Program

To assist managers in deterring waste, fraud and abuse, IRS Inspection completed 50 audits of areas particularly susceptible to integrity violations, such as activities where cash is handled and where control weaknesses increase the potential for integrity breaches. These audits resulted in the strengthening of controls over the collecting and depositing of delinquent taxes and the handling of salary checks and returned refund checks.

Inspection conducted internal control seminars nationwide to increase employee recognition of integrity matters, develop a better understanding of the role and responsibilities of inspection and increase management's awareness of its internal control responsibilities. It also conducted 651 integrity probes and tests of high-risk IRS activities.

In addition, 27,349 employees were advised of potential corruption hazards through awareness presentations, internal control seminars and conferences with all levels of management.

Disclosure

The IRS responded to 13,083 Freedom of Information and Privacy Act requests in calendar year 1981. The Freedom of Information reading room processed an additional 20,590 requests for documents. Disclosures were made to federal, state and local agencies in accordance with provisions of the Internal Revenue Code. Among these disclosures were 4,635 made to the Department of Justice for enforcement of non-tax statutes, 213,039 to federal, state and local agencies for child-support enforcement and 73,452,561 to state tax agencies for state tax administration purposes.

Director of Practice

The office of director of practice was transferred this year from the Department of the Treasury's office of general counsel to the IRS. The principal responsibility of the director of practice is the administration and enforcement of the regulations governing representation of taxpayers before the IRS. In addition, the director of practice has parallel duties concerning practice before the Bureau of Alcohol, Tobacco and Firearms and serves as executive director of the joint board for the enrollment of actuaries established under the Employee Retirement Income Security Act of 1974.

During the year the director of practice took 81 disciplinary actions against attorneys, certified public accountants, enrolled agents, enrolled actuaries and others because of misconduct in practice before the IRS. These actions included 11 disbarments, 38 suspensions, 31 reprimands and one resignation, and 14 were the result of formal hearings before an administrative law judge. The allegations of misconduct that gave rise to the disciplinary actions were received from the IRS, taxpayers, professional organizations and tax practitioners.
Computer Services

The IRS made a major effort in 1982 to introduce state-of-the-art technology into its work processes to improve productivity and reduce the labor-intensive nature of basic processing activities. An automated collection system and an automated examination system are under development.

The three-phase, long-range plan to replace the IRS's obsolete computer equipment used for tax return processing is proceeding on schedule in its third year. The first phase of the equipment replacement program is the service center replacement system. In March 1982 equipment was installed in the pilot service center in Memphis, Tenn. The IRS will install equipment in the other nine service centers by 1984, with full implementation scheduled for January 1985. In addition to increased reliability and greater workload capacity, the new computer equipment will provide automated error correction and unpostable resolution, thus reducing paper and manual processing and accelerating returns processing.

The IRS awarded a contract in March 1982 for the second phase of the equipment replacement program, the masterfile replacement system, which will automate the current research process and improve the privacy protection of taxpayer data. Implementation at all service centers is scheduled for June 1983.

The third and final phase of the equipment replacement program is the master file replacement system, which will modernize equipment at the National Computer Center. The IRS awarded a contract for this system in June 1982, and implementation is scheduled for January 1984.

Another equipment modernization effort that is well underway is the replacement of the service center direct data entry system with a distributed input system. The original equipment was installed in 1968. The new system is scheduled for nationwide implementation in January 1984.

Computer Site Preparation

The IRS in 1980 embarked on a major building program in support of the service center replacement system. In 1982 remodeling of the first group of five service centers was completed and work on the second group of five service centers began. The project will be completed in March 1983.

The IRS also is going to test training service center employees through the use of computers. A computerized training course on the processing of master file transactions is scheduled for January 1984.

Master File

The number of taxpayer accounts on the individual master file had grown to 122.1 million by July 1982, a 2.3 percent increase over July 1981. The business master file as of July had grown to 23.6 million active and inactive accounts, a 3.4 percent increase over July 1981. During the year ended June 30, 1982, the National Computer Center processed 522.8 million individual and business master file transactions.

Management Information Systems

A management information system stall was established under the assistant commissioner (human resources) to oversee development of a consolidated and uniform management information system to improve the IRS's decision-making capabilities.

Statistics of Income

The IRS issued statistics of income (SOI) publications in 1982 on individual income tax returns for 1978 and 1980, partnership returns for 1976 and 1978, sole proprietors for 1978 and 1980, and corporate income tax returns for 1976 and 1979. Corporate source books for 1975 and 1979 and four issues of the quarterly SOI Bulletin were also issued. The SOI Bulletin contains selected data formerly included in preliminary SOI reports, which have been discontinued. It also presents key data in advance of, or instead of, the more detailed SOI reports.


This year the IRS published another report in the international income and taxes series on foreign income and taxes reported on U.S. tax returns for 1976-1979. The IRS provided statistical data to the Department of the Treasury's office of tax analysis and the congressional Joint Committee on Taxation for use in estimating revenue and analyzing existing and proposed legislation and to the Bureau of Economic Analysis of the Department of Commerce for use in updating the national income and product accounts.

Cash Management

Improvement of IRS cash management procedures this year resulted in interest savings to the government. A significant achievement was the acceleration of the daily cash deposit cycle from 72 to 48 hours. This also was the third successive year in which the IRS reduced the time period needed to deposit all of the April 15 tax receipts.

Postage Savings

The presorting of individual and business tax packages, resulting in lower third-class bulk-mail rates, along with eliminating the forwarding of tax packages outside of local post-office areas, reduced IRS's postage costs by approximately $6.5 million in 1982. As a result, the IRS held postal cost increases to 15 percent, while postage rates increased by an average of 35 percent.

Training

Training for new revenue officers was substantially revised to meet the needs of the approximately 1,600 new revenue officers hired nationwide in June and July. One of the most important changes in the material was the addition of a classroom case management exercise that simulates the real work of the revenue officer occupation. Revenue agents and tax auditor training courses were revised to incorporate the Economic Recovery Tax Act of 1981. The IRS developed a new special agent basic training program that uses a self-instruction training phase at posts of duty to reduce significantly both travel and per-diem costs.

The IRS also is going to test training service center employees through the use of computers. A computerized training course on the processing of corporate tax returns will be tested at the Austin Service Center in 1983. In addition, the IRS developed new training programs to support increased automation of work processes.

Helping Other Countries

The IRS provided long-term tax administration advisory assistance in 1982 to Egypt, Jordan, Liberia, Saudi Arabia, Sierra Leone and Trinidad and Tobago. Short-term projects were conducted for Costa Rica, Haiti, Honduras and Jamaica. The Agency for International Development funded the projects, except those in Saudi Arabia and Trinidad and Tobago, which were funded by their respective governments. This year 236 officials from 67 countries visited the IRS for orientation and observation programs. Since 1963 over 6,500 visitors from 145 countries have participated in these programs. The IRS also presented two seven-week seminars in tax administration for tax officials from eight countries and participated in training workshops in Mexico City and Caracas.

IRS executives addressed various assemblies and conferences of the Inter-American Center of Tax Administrators (CIAT) and the Caribbean Organization of Tax Administrators. IRS Commissioner Egger was elected to the CIAT Executive Council.
Receipt and disposal of criminal tax matters

Appeals

Appeals officers held conferences with taxpayers at 36 appeals offices, 61 suboffices, and, to minimize taxpayer inconvenience, over 500 other locations across the country to resolve cases administratively. Although there was a slight decrease in the number of nondocketed appeals cases this year, there was an increase of 44 percent in docketed cases, with docketed and nondocketed case receipts together increasing from 58,565 in 1981 to 63,215 in 1982. Ending inventory increased from 19,254 cases in 1981 to 48,862 in 1982, and proposed additional tax liability in inventory increased from $11.5 billion to $12.2 billion.

The appeals division developed new procedures to achieve more settlements earlier. Revenue Procedure 82-42 made time limitations on appeals settlement jurisdiction in docketed cases more flexible, allowing appeals generally to keep a case as long as progress is being made toward settlement. The division also has served as a focal point in the effort to achieve settlements of shelter cases under the new settlement policy, which allows most tax shelter cases to be settled for out-of-pocket expenses. Appeals has settled 71.1 percent of the tax shelter cases deemed appropriate for settlement.

Settlement of docketed cases increased from 57.1 percent in 1981 to 65.2 percent in 1982 as a result of changes in docketed case procedures that enhance settlement opportunities. Appeals settled 85.4 percent of nondocketed cases this year, compared to 82.7 percent last year.

Of cases with proposed deficiencies exceeding $1 million, appeals settled 77.3 percent, up from 68.6 percent last year. Although these larger cases account for 85.3 percent of total dollars in inventory, they comprise only 2.6 percent of total cases in inventory.

Small cases involving deficiencies of less than $2,500 comprise 93.0 percent of total cases in inventory, but they account for less than two percent of total dollars in inventory. Of these small cases, 85 percent were settled by appeals, up from 83.4 percent last year.

Criminal Tax

The criminal tax division and attorneys in the various field offices in 1982 reviewed 2,297 recommendations for prosecution and 1,535 requests for initiation of grand jury investigations and spent 20,912 hours providing pre-referral legal assistance to the criminal investigation division. Among the cases the criminal tax division handled that resulted in indictments, guilty pleas or convictions were those involving the promoters of an abusive coal tax shelter that produced over $150 million in improper deductions for approximately 1,000 investors, a nationally known tax protest advocate involved in the sale and promotion of mail-order ministries, the leader of a worldwide evangelical movement who failed to report interest income, a large corporation and its former president who conspired to evade corporate income taxes by artificially inflating the cost of goods sold and the promoter of a family trust plan that more than 2,000 persons across the nation purchased.

In June 1982 the Supreme Court granted certiorari to a case involving the issue of whether the IRS examination process is "preliminary to" a judicial proceeding. The Court's resolution of this issue will significantly affect the IRS's ability to obtain access to grand jury materials for civil purposes.

The criminal tax division instituted a noncomplex case review procedure to speed up the legal review of prosecution referrals in cases that historically have had few legal problems. The division continued to try to eliminate overage cases. At the end of September 1982 there were 47 overage cases, down from 64 a year earlier. Over the last two years the division has reduced overage cases by 94 percent.

Prosecution cases received from criminal investigation

<table>
<thead>
<tr>
<th>Receipt and disposal of</th>
<th>Total opened</th>
<th>2,297</th>
</tr>
</thead>
<tbody>
<tr>
<td>criminal tax</td>
<td>102</td>
<td></td>
</tr>
<tr>
<td>matters</td>
<td>191</td>
<td></td>
</tr>
<tr>
<td>Department of Justice</td>
<td>385</td>
<td></td>
</tr>
<tr>
<td>U.S. Attorney</td>
<td>1,820</td>
<td></td>
</tr>
</tbody>
</table>

Opinions

| Pending beginning | 61 |
| Total requested   | 61 |
| Total rendered    | 86 |
| Pending end       | 36 |
Disclosure Litigation

The disclosure litigation division advises the IRS on the availability and uses that can be made of taxpayer information.

Of major significance in 1982 was the ruling of the Western District Court for Washington in Long v. IRS that source data from the taxpayer compliance measurement program is exempt from disclosure because it would seriously impair enforcement of the internal revenue laws.

The circuits are now split on the question of whether the IRS should be required to edit identifiers from return information of other taxpayers in response to Freedom of Information Act requests. In Willamette v. United States, the Ninth Circuit held that the IRS had to edit engineering valuation reports and other private sales data of taxpayers when a third party requested disclosure. The Seventh Circuit in King v. IRS, however, agreed with the IRS and held that disclosure of return information with identifiers removed would violate section 6103 and its legislative history.

The division helped establish and implement the plan for the publication of general counsel memorandum, actions on decisions and technical memoranda according to the requirements set forth in Tax Analysts v. IRS. The IRS is litigating the issue of whether it may defer the processing of individual requests for Tax Analyst documents until the documents have been indexed and made available for public inspection in accordance with the timetable set forth in the consent.

General Legal Services

The general legal services division handles nontax legal matters. In 1982 the division interpreted computer contracts for the service center replacement system, providing technical and legal information to procurement officials. It also developed standardized evaluation criteria and award factors for selection of expert witnesses that can be used in the establishment of procurement procedures. It also brought criminal charges against taxpayers who filed baseless "common law" liens against property owned by IRS employees.

One of the forfeiture actions initiated by the division involved an expensive foreign car that was forfeited to the federal government as a result of its being the subject of a fraudulent sale and lease-back scheme using back-dated documents to claim certain tax benefits.

Types of cases
cases received

<table>
<thead>
<tr>
<th>Region</th>
<th>1981</th>
<th>1982</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total, all regions</td>
<td>20,358</td>
<td>18,354</td>
</tr>
<tr>
<td>National Office</td>
<td>2,590</td>
<td>2,269</td>
</tr>
<tr>
<td>Other centralized cases</td>
<td>802</td>
<td>713</td>
</tr>
<tr>
<td>Total, National Office</td>
<td>3,392</td>
<td>2,982</td>
</tr>
<tr>
<td>1981</td>
<td>1982</td>
<td></td>
</tr>
<tr>
<td>National Office:</td>
<td>1,260</td>
<td>1,199</td>
</tr>
<tr>
<td>Total, all regions &amp; National Office</td>
<td>24,013</td>
<td>20,135</td>
</tr>
</tbody>
</table>

General Litigation

The general litigation division advises the IRS in collection and assessment matters. Among the significant cases dealt with this year were United States v. Brigham Young University, in which the Western Circuit reversed a district court order requiring the university to make charitable contributions to the IRS. The court held that the IRS's discovery that $612 gifts of silver futures contracts to the school were overvalued provided a reasonable basis for the belief that some contributions of other property to the school may similarly have been overvalued.

In United States v. Landsberger, the Eighth Circuit affirmed a district court order enjoining the promoter of a foreign double trust from further sale and promotion of the scheme. The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) reinforced the IRS's ability to obtain injunctions against promoters of abusive tax shelters.

In Columbus Trade Exchange, the Sixth Circuit upheld a John Doe summons to obtain the names of the members of a barter exchange. The court held that the government's statistics on the failure of

<table>
<thead>
<tr>
<th>Types of cases - regions</th>
<th>1981</th>
<th>1982</th>
</tr>
</thead>
<tbody>
<tr>
<td>General litigation</td>
<td>1,192</td>
<td>1,229</td>
</tr>
<tr>
<td>Bankruptcy Act proceedings</td>
<td>2,590</td>
<td>2,269</td>
</tr>
<tr>
<td>Miscellaneous insolvencies</td>
<td>3,392</td>
<td>2,982</td>
</tr>
<tr>
<td>Decedents' estates</td>
<td>3,392</td>
<td>2,982</td>
</tr>
<tr>
<td>Suits to collect taxes</td>
<td>3,392</td>
<td>2,982</td>
</tr>
<tr>
<td>Injunctions</td>
<td>3,392</td>
<td>2,982</td>
</tr>
<tr>
<td>Disclosure and testimony</td>
<td>3,392</td>
<td>2,982</td>
</tr>
<tr>
<td>Miscellaneous court cases</td>
<td>3,392</td>
<td>2,982</td>
</tr>
<tr>
<td>Advisory opinions</td>
<td>3,392</td>
<td>2,982</td>
</tr>
<tr>
<td>Tax refund cases</td>
<td>3,392</td>
<td>2,982</td>
</tr>
<tr>
<td>Total, all regions</td>
<td>3,392</td>
<td>2,982</td>
</tr>
<tr>
<td>National Office:</td>
<td>3,392</td>
<td>2,982</td>
</tr>
<tr>
<td>Total, National Office</td>
<td>3,392</td>
<td>2,982</td>
</tr>
</tbody>
</table>

*Includes actions for injunctions and/or declaratory relief.
### Receipt and Disposal

<table>
<thead>
<tr>
<th>Status</th>
<th>Court</th>
<th>Non-court</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipt and disposal pending Oct. 1, 1981</td>
<td>14,366</td>
<td>1,682</td>
<td>15,948</td>
</tr>
<tr>
<td>of general</td>
<td>22,452</td>
<td>5,663</td>
<td>38,115</td>
</tr>
<tr>
<td>litigation cases disposed</td>
<td>19,793</td>
<td>5,579</td>
<td>25,372</td>
</tr>
<tr>
<td>Pending Sept. 30, 1982</td>
<td>10,925</td>
<td>1,466</td>
<td>12,391</td>
</tr>
</tbody>
</table>

### Tax Court cases received

<table>
<thead>
<tr>
<th>Period</th>
<th>Number of cases</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>3,952</td>
<td></td>
</tr>
<tr>
<td>1979</td>
<td>1,080</td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td>1,029</td>
<td></td>
</tr>
<tr>
<td>1981</td>
<td>520</td>
<td></td>
</tr>
<tr>
<td>1982</td>
<td>316</td>
<td></td>
</tr>
</tbody>
</table>

### Tax Litigation

The tax litigation division assures that the legal position of the IRS is consistently presented in all tax litigation cases and that the division argues most of the refund cases and cases litigated in the Tax Court. The division also handled appeals of the Tax Court and filed motions in the federal district courts on its behalf. The division also handled appeals of the Tax Court and filed motions in the federal district courts on its behalf.

### Refund litigation cases

<table>
<thead>
<tr>
<th>Period</th>
<th>Number of cases</th>
<th>Amount in dispute</th>
<th>Amount in suit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>1,629</td>
<td>$1,195,438</td>
<td>$546,005</td>
</tr>
<tr>
<td>1979</td>
<td>891</td>
<td>195</td>
<td>107,144</td>
</tr>
<tr>
<td>1980</td>
<td>521</td>
<td>133,007</td>
<td>693,501</td>
</tr>
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</table>

### District courts

<table>
<thead>
<tr>
<th>Status</th>
<th>Number of cases</th>
<th>Amount in dispute</th>
<th>Amount in suit</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax in litigation - Pending Oct. 1, 1981</td>
<td>2,677</td>
<td>$546,005</td>
<td>$387</td>
<td>$40,433</td>
</tr>
<tr>
<td>Refund suits</td>
<td>2,677</td>
<td>$546,005</td>
<td>$387</td>
<td>$40,433</td>
</tr>
<tr>
<td>Pending Sept. 30, 1982</td>
<td>2,619</td>
<td>$474,390</td>
<td>$106,357</td>
<td>$225,747</td>
</tr>
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</table>

### Amount not refunded

<table>
<thead>
<tr>
<th>Percent not refunded</th>
<th>Amount not refunded</th>
</tr>
</thead>
<tbody>
<tr>
<td>46.4</td>
<td>106,357</td>
</tr>
<tr>
<td>50.3</td>
<td>119,390</td>
</tr>
</tbody>
</table>
Tax Court workload

1979-1982

<table>
<thead>
<tr>
<th>(Amounts in dispute in thousands of dollars)</th>
<th>53,440</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>34,776</strong></td>
<td></td>
</tr>
<tr>
<td><strong>29,875</strong></td>
<td><strong>31,119</strong></td>
</tr>
<tr>
<td><strong>27,910</strong></td>
<td></td>
</tr>
<tr>
<td><strong>21,837</strong></td>
<td></td>
</tr>
<tr>
<td><strong>17,295</strong></td>
<td><strong>18,484</strong></td>
</tr>
<tr>
<td><strong>13,090</strong></td>
<td><strong>14,171</strong></td>
</tr>
<tr>
<td><strong>43,763,734</strong></td>
<td><strong>45,123,173</strong></td>
</tr>
<tr>
<td><strong>46,261,147</strong></td>
<td><strong>47,377,516</strong></td>
</tr>
</tbody>
</table>

The Tax Court rejected the government's argument in *Smith v. Commissioner* and *Jacobson v. Commissioner* that the taxpayers' equally balanced positions in long and short silver futures were integrated transactions resulting in no economic loss, but accepted the government's argument that the taxpayers in this particular case did not enter into the transaction to make a profit. And in *Brannen v. Commissioner*, the Tax Court determined that the purchase and exploitation of the movie in question was an "activity not engaged in for profit" and disallowed all deductions claimed in connection with the tax shelter scheme.

The extent that the gift taxes paid by the donee exceed the donor's adjusted basis in the property. The Supreme Court in *Jewett v. Commissioner* also upheld the government's position that the gift of a contingent remainder interest must be disclaimed within a reasonable time after the donee learns of the creation of the interest, instead of when the interest vests upon the death of the life tenant years later. The Supreme Court has granted certiorari in *Tufte v. Commissioner* to resolve a conflict in the circuits over whether nonrecourse liabilities in excess of fair market value of property are includable in the amount realized when the property is sold or exchanged.

<table>
<thead>
<tr>
<th>Action</th>
<th>Claims Court</th>
<th>District courts</th>
<th>Small tax cases</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decided in favor of the government</td>
<td>Number</td>
<td>22</td>
<td>20</td>
<td>145</td>
<td>184</td>
</tr>
<tr>
<td></td>
<td>Percent</td>
<td>61.3</td>
<td>51.2</td>
<td>68.2</td>
<td>52.3</td>
</tr>
<tr>
<td>(Opinions rendered—refined litigation and Tax Court cases)*3</td>
<td>Decided in favor of the taxpayer</td>
<td>Number</td>
<td>13</td>
<td>16</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td>Percent</td>
<td>36.1</td>
<td>41.0</td>
<td>33.2</td>
<td>23.3</td>
</tr>
</tbody>
</table>

1) Related cases are reflected as one opinion.
2) Opinions in Claims Court, involving 60 cases.
3) Opinions in district courts, involving 266 cases.
4) 4,141 Tax Court opinions, involving 1,195 small tax cases.
5) 757 Tax Court opinions, involving 1,378 cases other than small Tax Court cases.
6) On cases for which decisions were entered during the fiscal year.

<table>
<thead>
<tr>
<th>Court</th>
<th>For the government</th>
<th>Against the government</th>
<th>Partially for and against the government</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Number</td>
<td>Percent</td>
</tr>
<tr>
<td></td>
<td>387</td>
<td>308</td>
<td>79.6</td>
</tr>
<tr>
<td>Appellate court—case record</td>
<td>Courts of appeals</td>
<td>306</td>
<td>253</td>
</tr>
<tr>
<td></td>
<td>(Decisions—refined litigation and Tax Court cases)</td>
<td>Supreme Court</td>
<td>4</td>
</tr>
</tbody>
</table>

1) Of the cases originally tried in Tax Court, the courts of appeals rendered 266 opinions in 62 dockets, including 50 dockets for the government, 50 dockets against the government and 111 dockets partially for the government.
2) Of the cases originally tried in district courts, the courts of appeals rendered 266 opinions in 62 dockets, including 50 dockets for the government, 50 dockets against the government and 111 dockets partially for the government.
Regional Counsel

As a result of the reorganization, regional counsel now supervise appeals offices through the regional directors of appeals. The IRS’s 807 appeals officers handled 52,877 cases and of those settled a total of 42,143 cases administratively in 1982. Attorneys in regional and district counsel offices represented the IRS before the Tax Court, provided advice to the IRS criminal investigation division, and, upon request, to the United States attorneys, advised the IRS on legal matters involving the collection of taxes, summons enforcement and labor relations, and performed other in-house and courtroom legal services for the IRS.

<table>
<thead>
<tr>
<th>Type of case</th>
<th>Pending Oct. 1, 1982</th>
<th>Received</th>
<th>Disposed</th>
<th>Pending Sept. 30, 1982</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipt and disposal</td>
<td>Revenue rulings</td>
<td>26</td>
<td>38</td>
<td>46</td>
</tr>
<tr>
<td>of employee plans</td>
<td>Letter rulings</td>
<td>46</td>
<td>66</td>
<td>73</td>
</tr>
<tr>
<td>and exempt</td>
<td>Technical advice</td>
<td>15</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>organizations</td>
<td>Other advice</td>
<td>5</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>division cases</td>
<td>Legislation</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Miscellaneous</td>
<td>69</td>
<td>32</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>162</td>
<td>208</td>
<td>196</td>
</tr>
</tbody>
</table>

**Corporation and Individual Tax**

The corporation and individual tax divisions issue revenue rulings, revenue procedures, letter rulings, and technical advice memoranda that apply the tax laws to particular situations. During the year the rulings divisions issued 290 revenue rulings and procedures and acted on 32,189 requests for letter rulings and technical advice, including 21,990 requests for changes in accounting methods and periods. Significant revenue rulings issued this year held that earnings on investments underlying annuity contracts will be taxed currently to the policyholder rather than deferred through an annuity arrangement and that a partner will recognize gain on the forced sale of mortgaged real estate to the extent the partner’s share of the mortgage exceeds his basis in his partnership interest, even though no gain is recognized on the involuntary conversion at the partnership level. Several revenue rulings relating to all-savers’ certificates also were published.

The divisions dealt with questions about sale-leaseback leasing, such as when property is considered placed in service and how the investment tax credit is applied in strip transactions, and helped develop cases involving the sourcing of income of drug companies operating in Puerto Rico.

The corporation tax division oversees the activities of the Commissioner’s art panel, which in 1982 recommended adjustments of 35 percent in $50 million in estates, valuations and charitable deductions claimed for contributions of paintings and sculpture. It also oversees the Commissioner’s art print panel, which recommended reductions of 12 percent in $120 million in deductions taxpayers claimed for publishing ventures.

To free up personnel time to address more complex legal and accounting problems, certain common recapitalizations were made in a ruling area, and revenue procedures were published that removed the requirement for the Commissioner’s advance consent on changes in method of accounting relating to vacation pay and bad debts.

To increase efficiency and get rulings out quicker, the rulings divisions set up target deadlines for reconciliation of proposed legal opinions between themselves and the interpretative division and established a procedure for resolution of issues when disagreement occurs at any level in the decision process. The divisions also adopted standard ruling letters for certain high-volume areas, such as charitable remainder trusts and limited partnership classifications, revamped revenue ruling review procedures to ensure early issuance of significant rulings, and expanded to 12 courses the continuing education program for upgrading attorney technical skills.

**Employee Plans and Exempt Organizations**

The employee plans and exempt organizations division prepares regulations and provides legal advice to the IRS on issues involving employee plans and exempt organizations.

During 1982 the division proposed amendment of existing regulations to adjust benefit limitations for inflation and limit benefits that the 25 most highly compensated employees can receive in the event of early termination of an employee plan. It also proposed regulations on how an employee may elect under qualified cash or deferred arrangements that his employer contribute part of his compensation to a profit-sharing or stock-bonus plan so that the employee does not have to include the amount in his income.

The division advised the IRS and the public on what constitutes unrelated business income and what qualifications an organization must have in order to be an exempt organization. It drafted a revenue procedure that identifies which states satisfy the dissolution provision requirements of section 501(c)(3) and a revenue ruling that concludes that, with certain statutory exceptions, section 403(b) annuity contracts must be purchased from insurance companies. It also published a set of questions and answers to explain new individual retirement account rules.

**Revenue rulings and procedures published**

<table>
<thead>
<tr>
<th>Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue rulings</td>
<td>25</td>
</tr>
<tr>
<td>and revenue procedures</td>
<td>21</td>
</tr>
<tr>
<td>Estate and gift taxes</td>
<td>37</td>
</tr>
<tr>
<td>Excise taxes</td>
<td>33</td>
</tr>
<tr>
<td>Exempt organizations</td>
<td>14</td>
</tr>
<tr>
<td>Income taxes</td>
<td>190</td>
</tr>
<tr>
<td>Employee plans</td>
<td>10</td>
</tr>
<tr>
<td>Tax conversions</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>330</td>
</tr>
</tbody>
</table>

**Subject**

<table>
<thead>
<tr>
<th>Type of case</th>
<th>Taxpayer requests</th>
<th>Field requests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>32,369</td>
<td>643</td>
</tr>
<tr>
<td>Administrative provisions</td>
<td>110</td>
<td>45</td>
</tr>
<tr>
<td>Changes in accounting methods</td>
<td>9,676</td>
<td>-</td>
</tr>
<tr>
<td>Changes in accounting periods</td>
<td>12,323</td>
<td>12,323</td>
</tr>
<tr>
<td>Earnings and profit determinations</td>
<td>1,348</td>
<td>-</td>
</tr>
<tr>
<td>Employment and self-employment taxes</td>
<td>732</td>
<td>578</td>
</tr>
<tr>
<td>Engineering questions</td>
<td>343</td>
<td>304</td>
</tr>
<tr>
<td>Estate and gift taxes</td>
<td>465</td>
<td>407</td>
</tr>
<tr>
<td>Excise taxes</td>
<td>142</td>
<td>99</td>
</tr>
<tr>
<td>Individual income tax matters</td>
<td>2,842</td>
<td>2,704</td>
</tr>
<tr>
<td>Corporate tax matters</td>
<td>4,318</td>
<td>4,112</td>
</tr>
</tbody>
</table>
The interpretative division provides legal assistance to the IRS and other divisions of Chief Counsel on most substantive and procedural tax law issues. The division also serves as a focal point for the coordination of IRS litigation and ruling positions. To respond more quickly to ruling requests, the interpretative division implemented a new procedure for simultaneously developing, along with the rulings divisions, selected technical issues related to ruling requests. The division prepared legal memoranda on the issue of whether life insurance companies or policyholders were the owners of mutual fund shares held by the companies in connection with wrap-around annuity contracts and on whether "excess interest" credited to life insurance reserves, maintained with respect to certain deferred annuity contracts, is a dividend to policyholders. It also determined that under section 465 an investor who purchased the title to a used motion picture and to film exploitation rights should be treated as if he had borrowed the amount of a note on a nonrecourse basis when the investor's liability on the note is contingent on the IRS's allowing the tax benefits.

The division also participated on boards reviewing taxpayer appeals from adverse rulings under section 367 and provided legal advice on a number of corporate issues that became the subjects of proposed legislation.

### Legislation and Regulations

The development of tax regulations comprises the bulk of the legislation and regulations division's work. The division also assists the Department of the Treasury and Congress in the drafting of tax law provisions, reviews proposed revenue rulings and drafts of forms and publications to ensure they are consistent with legislation and regulations and gives technical advice to the Department of the Treasury in the negotiation of tax treaties. The division published regulations this year that extensively revised the previously proposed regulations for distinguishing debt from equity interests of corporations. It proposed regulations on the method by which an affiliated group of corporations that includes a life insurance company and a nonlife company should determine the group's consolidated taxable income. Before 1981 combined life/nonlife groups were not permitted to consolidate returns.

Other regulations deal with the computation of the 90 percent net-income limitation on windfall profit, withholding of income tax and social security and railroad retirement taxes from payments of sick pay, procedures for converting existing stock options to incentive stock options, simplified procedures for computing the price index for valuing a LIFO pool, all savers' certificates and safe harbor leasing.

The division also participated in the development and drafting of proposals for the Tax Equity and Fiscal Responsibility Act of 1982 and in negotiating and drafting tax treaties with foreign governments.

### Operations

The operations division coordinates personnel and budget matters and provides general administrative support to the office of Chief Counsel. During 1982, the division undertook an automation and computerization effort to improve efficiency in managing cases. The office of Chief Counsel in 1983 will test a computer system for case tracking and collecting and analyzing management information. This system will track case development, enable attorneys to identify cases with similar issues and provide managers with statistical information useful in allocating attorney resources.

A tracking system also is being developed to monitor legislation projects, with implementation planned for early 1983. This system will display a description of the project and its status and produce statistical reports from information that will be available to Treasury Department officials through the Treasury's executive information system. Other tracking systems for processing interpretative matters, employee plans and exempt organizations matters and tax cases on appeal will be operating early in 1983.

An automated system for jacketing Tax Court cases has increased productivity, and a subscription control system for Chief Counsel's library has improved cost control.
### Table 15.—Number of exempt organizations returns examined by type/59

<table>
<thead>
<tr>
<th>Type</th>
<th>Returns Examined</th>
</tr>
</thead>
<tbody>
<tr>
<td>By class of tax</td>
<td>Total</td>
</tr>
<tr>
<td>Income tax</td>
<td>123,246,789</td>
</tr>
<tr>
<td>Estate and gift tax</td>
<td>12,324,678</td>
</tr>
<tr>
<td>Penalties</td>
<td>9,876,543</td>
</tr>
<tr>
<td>Total</td>
<td>135,651,200</td>
</tr>
</tbody>
</table>

### Table 16.—Returns filed by internal revenue regions and districts, states and other areas/48

<table>
<thead>
<tr>
<th>Region</th>
<th>Total Returns Filed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northeast</td>
<td>123,246,789</td>
</tr>
<tr>
<td>Midwest</td>
<td>12,324,678</td>
</tr>
<tr>
<td>South</td>
<td>9,876,543</td>
</tr>
</tbody>
</table>

### Table 17.—Requests for EP/EO tax rulings and technical advice (Closing/)59

<table>
<thead>
<tr>
<th>Request Type</th>
<th>Total Requests</th>
</tr>
</thead>
<tbody>
<tr>
<td>EP/EO</td>
<td>123,246,789</td>
</tr>
</tbody>
</table>

### Table 18.—Determination letters issued on IRS employee benefit plans/59

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Total Letters</th>
</tr>
</thead>
<tbody>
<tr>
<td>401 plan</td>
<td>123,246,789</td>
</tr>
</tbody>
</table>

### Statistical Tables

<table>
<thead>
<tr>
<th>Table 1.—Internal revenue collections by sources and by internal revenue regions and districts, states and other areas (in thousands of dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
</tr>
<tr>
<td>Total revenue collections</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

### Notes
- Data are preliminary and subject to change.
- Figures may not add due to rounding.
- Additional sources of tax and penalties are included in the Total revenue collections.
Table 1—Continued
(In thousands of dollars)

<table>
<thead>
<tr>
<th>State or City</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>United States, total</td>
<td>11,723,500</td>
<td>13,700,982</td>
<td>11,723,500</td>
<td>13,700,982</td>
<td>11,723,500</td>
</tr>
<tr>
<td>North Dakota</td>
<td>756</td>
<td>1,010</td>
<td>756</td>
<td>1,010</td>
<td>756</td>
</tr>
<tr>
<td>South Dakota</td>
<td>1,530</td>
<td>1,866</td>
<td>1,530</td>
<td>1,866</td>
<td>1,530</td>
</tr>
<tr>
<td>Minnesota</td>
<td>2,420</td>
<td>2,968</td>
<td>2,420</td>
<td>2,968</td>
<td>2,420</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>1,800</td>
<td>2,246</td>
<td>1,800</td>
<td>2,246</td>
<td>1,800</td>
</tr>
<tr>
<td>Michigan</td>
<td>2,720</td>
<td>3,360</td>
<td>2,720</td>
<td>3,360</td>
<td>2,720</td>
</tr>
<tr>
<td>Ohio</td>
<td>4,200</td>
<td>5,100</td>
<td>4,200</td>
<td>5,100</td>
<td>4,200</td>
</tr>
<tr>
<td>Indiana</td>
<td>2,140</td>
<td>2,624</td>
<td>2,140</td>
<td>2,624</td>
<td>2,140</td>
</tr>
<tr>
<td>Illinois</td>
<td>4,500</td>
<td>5,468</td>
<td>4,500</td>
<td>5,468</td>
<td>4,500</td>
</tr>
<tr>
<td>Kentucky</td>
<td>2,320</td>
<td>2,866</td>
<td>2,320</td>
<td>2,866</td>
<td>2,320</td>
</tr>
<tr>
<td>Tennessee</td>
<td>1,900</td>
<td>2,320</td>
<td>1,900</td>
<td>2,320</td>
<td>1,900</td>
</tr>
<tr>
<td>Louisiana</td>
<td>2,800</td>
<td>3,468</td>
<td>2,800</td>
<td>3,468</td>
<td>2,800</td>
</tr>
<tr>
<td>Arkansas</td>
<td>1,900</td>
<td>2,320</td>
<td>1,900</td>
<td>2,320</td>
<td>1,900</td>
</tr>
<tr>
<td>Mississippi</td>
<td>1,720</td>
<td>2,108</td>
<td>1,720</td>
<td>2,108</td>
<td>1,720</td>
</tr>
<tr>
<td>Alabama</td>
<td>1,520</td>
<td>1,884</td>
<td>1,520</td>
<td>1,884</td>
<td>1,520</td>
</tr>
<tr>
<td>Florida</td>
<td>2,700</td>
<td>3,360</td>
<td>2,700</td>
<td>3,360</td>
<td>2,700</td>
</tr>
<tr>
<td>Georgia</td>
<td>2,820</td>
<td>3,468</td>
<td>2,820</td>
<td>3,468</td>
<td>2,820</td>
</tr>
<tr>
<td>South Carolina</td>
<td>1,240</td>
<td>1,530</td>
<td>1,240</td>
<td>1,530</td>
<td>1,240</td>
</tr>
<tr>
<td>North Carolina</td>
<td>1,640</td>
<td>2,070</td>
<td>1,640</td>
<td>2,070</td>
<td>1,640</td>
</tr>
<tr>
<td>Virginia</td>
<td>2,420</td>
<td>2,968</td>
<td>2,420</td>
<td>2,968</td>
<td>2,420</td>
</tr>
<tr>
<td>West Virginia</td>
<td>1,020</td>
<td>1,286</td>
<td>1,020</td>
<td>1,286</td>
<td>1,020</td>
</tr>
<tr>
<td>Delaware</td>
<td>1,200</td>
<td>1,530</td>
<td>1,200</td>
<td>1,530</td>
<td>1,200</td>
</tr>
<tr>
<td>Maryland</td>
<td>3,200</td>
<td>4,000</td>
<td>3,200</td>
<td>4,000</td>
<td>3,200</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>2,440</td>
<td>3,090</td>
<td>2,440</td>
<td>3,090</td>
<td>2,440</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>3,600</td>
<td>4,568</td>
<td>3,600</td>
<td>4,568</td>
<td>3,600</td>
</tr>
<tr>
<td>New York</td>
<td>4,500</td>
<td>5,468</td>
<td>4,500</td>
<td>5,468</td>
<td>4,500</td>
</tr>
<tr>
<td>New Jersey</td>
<td>3,320</td>
<td>4,108</td>
<td>3,320</td>
<td>4,108</td>
<td>3,320</td>
</tr>
<tr>
<td>Connecticut</td>
<td>1,400</td>
<td>1,782</td>
<td>1,400</td>
<td>1,782</td>
<td>1,400</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>2,420</td>
<td>3,024</td>
<td>2,420</td>
<td>3,024</td>
<td>2,420</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>900</td>
<td>1,152</td>
<td>900</td>
<td>1,152</td>
<td>900</td>
</tr>
<tr>
<td>New Hampshire</td>
<td>720</td>
<td>912</td>
<td>720</td>
<td>912</td>
<td>720</td>
</tr>
<tr>
<td>Vermont</td>
<td>420</td>
<td>528</td>
<td>420</td>
<td>528</td>
<td>420</td>
</tr>
<tr>
<td>New Mexico</td>
<td>1,200</td>
<td>1,530</td>
<td>1,200</td>
<td>1,530</td>
<td>1,200</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>1,400</td>
<td>1,782</td>
<td>1,400</td>
<td>1,782</td>
<td>1,400</td>
</tr>
<tr>
<td>Texas</td>
<td>5,040</td>
<td>6,368</td>
<td>5,040</td>
<td>6,368</td>
<td>5,040</td>
</tr>
<tr>
<td>Total</td>
<td>11,723,500</td>
<td>13,700,982</td>
<td>11,723,500</td>
<td>13,700,982</td>
<td>11,723,500</td>
</tr>
</tbody>
</table>
### Table 1—Continued

**(in thousands of dollars)**

<table>
<thead>
<tr>
<th></th>
<th>Special fuel taxes</th>
<th>Miscellaneous excise taxes</th>
<th>Unemployment insurance taxes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(26)</td>
<td>(27)</td>
<td>(28)</td>
</tr>
<tr>
<td>United States, total</td>
<td>625,025</td>
<td>163,640</td>
<td>27,703</td>
</tr>
<tr>
<td>North Atlantic States</td>
<td>10,479</td>
<td>21,480</td>
<td>140</td>
</tr>
<tr>
<td>New England</td>
<td>2,066</td>
<td>2,187</td>
<td>16</td>
</tr>
<tr>
<td>Mid-Atlantic</td>
<td>8,416</td>
<td>18,219</td>
<td>125</td>
</tr>
<tr>
<td>Florida</td>
<td>2,672</td>
<td>4,095</td>
<td>46</td>
</tr>
<tr>
<td>Southeast</td>
<td>722</td>
<td>176</td>
<td>2</td>
</tr>
<tr>
<td>South Central</td>
<td>898</td>
<td>2,878</td>
<td>229</td>
</tr>
<tr>
<td>West</td>
<td>988</td>
<td>2,887</td>
<td>229</td>
</tr>
<tr>
<td>Mountain</td>
<td>12,942</td>
<td>17,716</td>
<td>1,191</td>
</tr>
<tr>
<td>Central</td>
<td>41,403</td>
<td>26,328</td>
<td>2,698</td>
</tr>
<tr>
<td>Pacific</td>
<td>5,671</td>
<td>3,352</td>
<td>222</td>
</tr>
<tr>
<td>Alaska</td>
<td>1,931</td>
<td>1,506</td>
<td>126</td>
</tr>
<tr>
<td>Hawaii</td>
<td>3,714</td>
<td>1,846</td>
<td>125</td>
</tr>
<tr>
<td>Total United States</td>
<td>625,025</td>
<td>163,640</td>
<td>27,703</td>
</tr>
</tbody>
</table>

#### Table 1—Continued

**(in thousands of dollars)**

<table>
<thead>
<tr>
<th></th>
<th>Temptation</th>
<th>Transportation</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(29)</td>
<td>(30)</td>
<td>(31)</td>
</tr>
<tr>
<td>United States, total</td>
<td>24,513,225</td>
<td>8,770,318</td>
<td>1,553,583</td>
</tr>
<tr>
<td>North Atlantic States</td>
<td>3,163,000</td>
<td>1,068,000</td>
<td>188,000</td>
</tr>
<tr>
<td>New England</td>
<td>899,000</td>
<td>263,000</td>
<td>43,000</td>
</tr>
<tr>
<td>Mid-Atlantic</td>
<td>1,369,000</td>
<td>465,000</td>
<td>84,000</td>
</tr>
<tr>
<td>Florida</td>
<td>317,000</td>
<td>112,000</td>
<td>19,000</td>
</tr>
<tr>
<td>Southeast</td>
<td>342,000</td>
<td>121,000</td>
<td>23,000</td>
</tr>
<tr>
<td>South Central</td>
<td>228,000</td>
<td>83,000</td>
<td>14,000</td>
</tr>
<tr>
<td>West</td>
<td>454,000</td>
<td>147,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Mountain</td>
<td>81,000</td>
<td>27,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Central</td>
<td>857,000</td>
<td>309,000</td>
<td>51,000</td>
</tr>
<tr>
<td>Pacific</td>
<td>482,000</td>
<td>174,000</td>
<td>28,000</td>
</tr>
<tr>
<td>Alaska</td>
<td>20,000</td>
<td>6,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Hawaii</td>
<td>10,000</td>
<td>3,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Total United States</td>
<td>24,513,225</td>
<td>8,770,318</td>
<td>1,553,583</td>
</tr>
</tbody>
</table>

---

### Notes to Table 1
- Special fuel taxes, excise taxes, and unemployment insurance taxes are shown at a uniform rate for all states shown in column of table.
- Special fuel taxes refer to taxes on gasoline and diesel fuels. Excise taxes include all taxes on items other than gasoline or diesel fuels.
- Unemployment insurance taxes are shown for information only.

---

### Table 2

**(in thousands of dollars)**

<table>
<thead>
<tr>
<th></th>
<th>Temptation</th>
<th>Transportation</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(29)</td>
<td>(30)</td>
<td>(31)</td>
</tr>
<tr>
<td>United States, total</td>
<td>3,806,274</td>
<td>1,059,950</td>
<td>158,510</td>
</tr>
<tr>
<td>North Atlantic States</td>
<td>3,806,274</td>
<td>1,059,950</td>
<td>158,510</td>
</tr>
<tr>
<td>New England</td>
<td>3,806,274</td>
<td>1,059,950</td>
<td>158,510</td>
</tr>
<tr>
<td>Mid-Atlantic</td>
<td>3,806,274</td>
<td>1,059,950</td>
<td>158,510</td>
</tr>
<tr>
<td>Florida</td>
<td>3,806,274</td>
<td>1,059,950</td>
<td>158,510</td>
</tr>
<tr>
<td>Southeast</td>
<td>3,806,274</td>
<td>1,059,950</td>
<td>158,510</td>
</tr>
<tr>
<td>South Central</td>
<td>3,806,274</td>
<td>1,059,950</td>
<td>158,510</td>
</tr>
<tr>
<td>West</td>
<td>3,806,274</td>
<td>1,059,950</td>
<td>158,510</td>
</tr>
<tr>
<td>Mountain</td>
<td>3,806,274</td>
<td>1,059,950</td>
<td>158,510</td>
</tr>
<tr>
<td>Central</td>
<td>3,806,274</td>
<td>1,059,950</td>
<td>158,510</td>
</tr>
<tr>
<td>Pacific</td>
<td>3,806,274</td>
<td>1,059,950</td>
<td>158,510</td>
</tr>
<tr>
<td>Alaska</td>
<td>3,806,274</td>
<td>1,059,950</td>
<td>158,510</td>
</tr>
<tr>
<td>Hawaii</td>
<td>3,806,274</td>
<td>1,059,950</td>
<td>158,510</td>
</tr>
<tr>
<td>Total United States</td>
<td>3,806,274</td>
<td>1,059,950</td>
<td>158,510</td>
</tr>
</tbody>
</table>

---

### Notes to Table 2
- Temptation taxes, excise taxes, and unemployment insurance taxes are shown at a uniform rate for all states shown in column of table.
- Temptation taxes refer to taxes on gasoline and diesel fuels. Excise taxes include all taxes on items other than gasoline or diesel fuels.
- Unemployment insurance taxes are shown for information only.
Table 2—Revenue collections by sources

<table>
<thead>
<tr>
<th>Source of Revenue</th>
<th>1981</th>
<th>1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross total, all revenues</td>
<td>646,786,150</td>
<td>657,340,206</td>
</tr>
<tr>
<td>Corporate income taxes, total</td>
<td>75,729,190</td>
<td>66,909,520</td>
</tr>
<tr>
<td>Payments from foreign countries</td>
<td>7,959,430</td>
<td>5,706,300</td>
</tr>
<tr>
<td>Individual income and unemployment tax</td>
<td>4,022,962,012</td>
<td>5,845,644,133</td>
</tr>
<tr>
<td>Federal income tax</td>
<td>5,675,125</td>
<td>7,350,970</td>
</tr>
<tr>
<td>Social Security taxes</td>
<td>1,755,463</td>
<td>3,256,830</td>
</tr>
<tr>
<td>Excise taxes</td>
<td>7,350,970</td>
<td>7,350,970</td>
</tr>
<tr>
<td>Federal estate and gift taxes</td>
<td>1,755,463</td>
<td>3,256,830</td>
</tr>
<tr>
<td>Other federal taxes</td>
<td>7,350,970</td>
<td>7,350,970</td>
</tr>
<tr>
<td>State and local taxes</td>
<td>2,133,435</td>
<td>2,133,435</td>
</tr>
<tr>
<td>Total taxes</td>
<td>15,388,705</td>
<td>23,001,115</td>
</tr>
<tr>
<td>Total revenue</td>
<td>662,174,855</td>
<td>680,341,321</td>
</tr>
</tbody>
</table>

Table 2—Continued

<table>
<thead>
<tr>
<th>Source of Revenue</th>
<th>1981</th>
<th>1992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-ad valorem taxes, total</td>
<td>6,808,125</td>
<td>8,262,100</td>
</tr>
<tr>
<td>Custom duties and fees, total</td>
<td>4,372,515</td>
<td>5,214,371</td>
</tr>
<tr>
<td>Tariffs, etc., total</td>
<td>1,037,500</td>
<td>1,037,500</td>
</tr>
<tr>
<td>Total non-ad valorem taxes</td>
<td>12,182,140</td>
<td>14,514,071</td>
</tr>
<tr>
<td>Sales and service taxes, total</td>
<td>654,700</td>
<td>654,700</td>
</tr>
<tr>
<td>Sales tax, total</td>
<td>654,700</td>
<td>654,700</td>
</tr>
<tr>
<td>Service tax, total</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total sales and service taxes</td>
<td>654,700</td>
<td>654,700</td>
</tr>
<tr>
<td>Other revenue</td>
<td>11,510,140</td>
<td>14,829,321</td>
</tr>
<tr>
<td>Total revenue</td>
<td>78,446,435</td>
<td>94,014,492</td>
</tr>
</tbody>
</table>

Note: Totals may not add due to rounding.

The data for the years 1981 and 1992 are as follows:

- Gross total, all revenues: 1981 - 646,786,150, 1992 - 657,340,206
- Corporate income taxes, total: 1981 - 75,729,190, 1992 - 66,909,520
- Payments from foreign countries: 1981 - 7,959,430, 1992 - 5,706,300
- Federal income tax: 1981 - 5,675,125, 1992 - 7,350,970
- Total taxes: 1981 - 15,388,705, 1992 - 23,001,115
- Non-ad valorem taxes, total: 1981 - 6,808,125, 1992 - 8,262,100
- Tariffs, etc., total: 1981 - 1,037,500, 1992 - 1,037,500
- Total non-ad valorem taxes: 1981 - 12,182,140, 1992 - 14,514,071
- Service tax, total: 1981 - 0, 1992 - 0
- Other revenue: 1981 - 11,510,140, 1992 - 14,829,321

The data includes various sources of revenue such as corporate income taxes, individual income taxes, unemployment insurance, social security taxes, excise taxes, federal estate and gift taxes, state and local taxes, non-ad valorem taxes, sales and service taxes, and other revenue. The totals are presented for the years 1981 and 1992, with some data presented in both dollars and percentages.
Footnotes for Tables 1-3

1. More than $500,000.

Note: Details may not add to totals due to rounding. State and district data are from 1981, and all others are from 1982 unless otherwise specified in the text. See Appendix D for a key to symbols used in this section.

2. The category in the earlier table on this page shows the income tax rate of which 2.5 percent each on the first $2,500 of income and 1.7 percent on the next $3,000 for 1981 and $2,500 for 1982. Uniform rates in effect were increased $0.50 per $1,000 of income.

3. The revised rate of tax for each amount of tax base is the actual tax paid by the families for the year specified, divided by the tax base of the family.

4. The amount of tax is equal to the product of the number of $1,000 of tax base and the tax base in $1,000.

5. The tax rates for each amount of tax base are the actual tax paid by the families for the year specified, divided by the tax base of the family.

6. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

7. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

8. The Federal Insurance Contributions Act is applicable to both Social Security and other programs, including the Medicare, and is described in detail in this section.

9. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

10. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

11. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

12. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

13. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

14. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

15. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

16. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

17. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

18. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

19. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

20. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

21. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

22. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

23. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

24. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

25. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

26. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

27. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

28. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

29. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

30. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

31. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

32. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

33. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

34. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

35. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

36. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

37. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

38. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

39. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

40. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

41. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

42. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

43. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.

44. The Social Security Tax is the portion of the Federal Insurance Contributions Act (FICA) that provides for old-age, survivors, and disability insurance.

45. The Social Security Tax is paid by employers, employees, and self-employed individuals. The Federal Insurance Contributions Act (FICA) requires employers to withhold Social Security Tax and to remit it to the government.
Table 4—Amount of internal revenue refunds including interest

<table>
<thead>
<tr>
<th>Amount</th>
<th>Total</th>
<th>Corporation income</th>
<th>Individual income</th>
<th>Employment taxes</th>
<th>Estates</th>
<th>Gift</th>
<th>Excess</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount excluding special fund refunds (Puerto Rico account 20520)</td>
<td>$19,029,804</td>
<td>$7,292,925</td>
<td>$11,736,879</td>
<td>$1,283,600</td>
<td>$176,825</td>
<td>$163,000</td>
<td>$207,625</td>
</tr>
<tr>
<td>Amount minus special fund refunds</td>
<td>$18,282,740</td>
<td>$7,073,145</td>
<td>$11,653,054</td>
<td>$1,283,600</td>
<td>$176,825</td>
<td>$163,000</td>
<td>$207,625</td>
</tr>
</tbody>
</table>

Table 5—Number of internal revenue refunds issued

<table>
<thead>
<tr>
<th>Amount</th>
<th>Total</th>
<th>Corporation income</th>
<th>Individual income</th>
<th>Employment taxes</th>
<th>Estates</th>
<th>Gift</th>
<th>Excess</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total refunds for the fiscal year</td>
<td>$19,029,804</td>
<td>$7,292,925</td>
<td>$11,736,879</td>
<td>$1,283,600</td>
<td>$176,825</td>
<td>$163,000</td>
<td>$207,625</td>
</tr>
<tr>
<td>Excess refunds under 1896 tax act</td>
<td>$18,282,740</td>
<td>$7,073,145</td>
<td>$11,653,054</td>
<td>$1,283,600</td>
<td>$176,825</td>
<td>$163,000</td>
<td>$207,625</td>
</tr>
</tbody>
</table>

1 Amounts may not add due to rounding.
2 Includes income tax refunds including interest, amounting to $1.7 billion.
3 Includes credits for excise payments under the federal motor vehicle and aviation excise tax laws.
4 Includes credits for federal, state, and local government income taxes.
5 Includes credits for interest paid by the United States for the fiscal year.
6 Includes interest paid by the United States for the fiscal year.
7 Includes amounts of special fund refunds (Puerto Rico account 20520), amounting to $163,000.

1 Less than $500.
2 In thousands of dollars.
Table 7.—Returns filed, examination coverage and results (1982)

<table>
<thead>
<tr>
<th>Category</th>
<th>Returns filed</th>
<th>Returns examined</th>
<th>Revenue coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>CT 1981</td>
<td>Revenue agents</td>
<td>Tax service</td>
</tr>
<tr>
<td>Individual, total</td>
<td>94,410,000</td>
<td>83,026</td>
<td>9,075</td>
</tr>
<tr>
<td>NRAA, TP under $10,000</td>
<td>35,200,000</td>
<td>8,967</td>
<td>8,851</td>
</tr>
<tr>
<td>Non-1040, TP under $10,000</td>
<td>59,210,000</td>
<td>74,059</td>
<td>9,075</td>
</tr>
<tr>
<td>TR $10,000 under $25,000, single</td>
<td>21,120,000</td>
<td>8,715</td>
<td>10,150</td>
</tr>
<tr>
<td>TR $10,000 under $25,000, couple</td>
<td>11,230,000</td>
<td>24,702</td>
<td>21,458</td>
</tr>
<tr>
<td>TR $25,000 under $50,000</td>
<td>17,900,000</td>
<td>46,834</td>
<td>44,423</td>
</tr>
<tr>
<td>TR $50,000 and over</td>
<td>3,555,000</td>
<td>103,406</td>
<td>61,994</td>
</tr>
</tbody>
</table>

Note: Total may not add due to rounding.

Table 7.—Continued

<table>
<thead>
<tr>
<th>Revenue agents</th>
<th>Tax service</th>
<th>Total</th>
<th>Revenue agents</th>
<th>Tax service</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,183</td>
<td>801</td>
<td>31</td>
<td>2,976</td>
<td>1,668</td>
<td>384</td>
</tr>
<tr>
<td>75</td>
<td>44</td>
<td>1</td>
<td>115</td>
<td>8,166</td>
<td>542</td>
</tr>
<tr>
<td>63</td>
<td>26</td>
<td>3</td>
<td>66</td>
<td>9,068</td>
<td>452</td>
</tr>
<tr>
<td>31</td>
<td>52</td>
<td>2</td>
<td>62</td>
<td>3,292</td>
<td>976</td>
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<tr>
<td>142</td>
<td>206</td>
<td>0</td>
<td>22</td>
<td>2,227</td>
<td>645</td>
</tr>
<tr>
<td>1,089</td>
<td>128</td>
<td>0</td>
<td>1,258</td>
<td>10,841</td>
<td>1,700</td>
</tr>
<tr>
<td>1,089</td>
<td>128</td>
<td>0</td>
<td>1,258</td>
<td>10,841</td>
<td>1,700</td>
</tr>
<tr>
<td>1,089</td>
<td>128</td>
<td>0</td>
<td>1,258</td>
<td>10,841</td>
<td>1,700</td>
</tr>
<tr>
<td>1,089</td>
<td>128</td>
<td>0</td>
<td>1,258</td>
<td>10,841</td>
<td>1,700</td>
</tr>
</tbody>
</table>

Note: Total may not add due to rounding.
Table 8—Returns filed, examination coverage and results (1981)

<table>
<thead>
<tr>
<th>Tax return</th>
<th>Filing status</th>
<th>Total</th>
<th>Tax</th>
<th>Service</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual, total</td>
<td>95,863,000</td>
<td>98,550</td>
<td>766,320</td>
<td>1,621,079</td>
<td>1,604,364</td>
</tr>
<tr>
<td>Under $1,000</td>
<td>28,222,000</td>
<td>12,299</td>
<td>133,413</td>
<td>3,746</td>
<td>149,618</td>
</tr>
<tr>
<td>Non-return</td>
<td>28,222,000</td>
<td>12,299</td>
<td>133,413</td>
<td>3,746</td>
<td>149,618</td>
</tr>
<tr>
<td>TP over $10,000</td>
<td>21,071,000</td>
<td>7,154</td>
<td>180,026</td>
<td>13,587</td>
<td>129,183</td>
</tr>
<tr>
<td>TP $10,000 under $25,000, simple</td>
<td>11,829,000</td>
<td>54,999</td>
<td>296,861</td>
<td>42,245</td>
<td>202,332</td>
</tr>
<tr>
<td>TP $25,000 under $50,000, complex</td>
<td>11,829,000</td>
<td>54,999</td>
<td>296,861</td>
<td>42,245</td>
<td>202,332</td>
</tr>
<tr>
<td>TP $50,000 and over</td>
<td>2,214,000</td>
<td>64,775</td>
<td>71,162</td>
<td>4,866</td>
<td>170,053</td>
</tr>
<tr>
<td>Schedule B under $50,000</td>
<td>1,424,000</td>
<td>52,999</td>
<td>291,344</td>
<td>5,126</td>
<td>102,988</td>
</tr>
<tr>
<td>Schedule C/T under $50,000</td>
<td>1,424,000</td>
<td>52,999</td>
<td>291,344</td>
<td>5,126</td>
<td>102,988</td>
</tr>
<tr>
<td>Schedule F under $100,000</td>
<td>845,000</td>
<td>3,025</td>
<td>4,863</td>
<td>784</td>
<td>3,472</td>
</tr>
<tr>
<td>Schedule F-T under $100,000</td>
<td>845,000</td>
<td>3,025</td>
<td>4,863</td>
<td>784</td>
<td>3,472</td>
</tr>
<tr>
<td>Total</td>
<td>1,895,000</td>
<td>57,999</td>
<td>309,212</td>
<td>5,910</td>
<td>111,453</td>
</tr>
</tbody>
</table>

Table 8—Continued

<table>
<thead>
<tr>
<th>Tax return</th>
<th>Filing status</th>
<th>Total</th>
<th>Tax</th>
<th>Service</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnership</td>
<td>1,878,000</td>
<td>8,148</td>
<td>63</td>
<td>3,187</td>
<td>48</td>
</tr>
<tr>
<td>Corporate, total</td>
<td>2,134,000</td>
<td>103,000</td>
<td>766,320</td>
<td>1,621,079</td>
<td>1,604,364</td>
</tr>
<tr>
<td>Assets not reported</td>
<td>102,000</td>
<td>4,177</td>
<td>417</td>
<td>3,119</td>
<td></td>
</tr>
<tr>
<td>Under $100,000</td>
<td>1,014,000</td>
<td>26,303</td>
<td>26,303</td>
<td>2,052</td>
<td></td>
</tr>
<tr>
<td>$100,000 under $1 mil</td>
<td>775,000</td>
<td>35,245</td>
<td>42,245</td>
<td>3,924</td>
<td></td>
</tr>
<tr>
<td>$1 mil under $10 mil</td>
<td>105,000</td>
<td>22,801</td>
<td>25,961</td>
<td>13,587</td>
<td></td>
</tr>
<tr>
<td>$10 mil under $100 mil</td>
<td>25,000</td>
<td>7,851</td>
<td></td>
<td>7,851</td>
<td></td>
</tr>
<tr>
<td>$100 mil and over</td>
<td>2,000</td>
<td>4,226</td>
<td>4,226</td>
<td>622</td>
<td></td>
</tr>
<tr>
<td>Small business corps.</td>
<td>929,000</td>
<td>8,308</td>
<td>8,308</td>
<td>1,777</td>
<td></td>
</tr>
<tr>
<td>Farm 120 IRC51</td>
<td>8,000</td>
<td>1,000</td>
<td>1,000</td>
<td>183</td>
<td></td>
</tr>
<tr>
<td>Estate, total</td>
<td>117,000</td>
<td>36,934</td>
<td>783</td>
<td>37,957</td>
<td>18,45</td>
</tr>
<tr>
<td>Gross estate under $250,000</td>
<td>80,000</td>
<td>7,361</td>
<td>634</td>
<td>8,153</td>
<td>7,873</td>
</tr>
<tr>
<td>Gross estate $250,000 and over</td>
<td>35,000</td>
<td>28,373</td>
<td>22,183</td>
<td>8,153</td>
<td></td>
</tr>
<tr>
<td>GRT</td>
<td>29,000</td>
<td>8,241</td>
<td>226</td>
<td>9,467</td>
<td>2,274</td>
</tr>
<tr>
<td>Income, estate and gift, total</td>
<td>93,212,000</td>
<td>471,031</td>
<td>1,179,229</td>
<td>181,518</td>
<td>1,826,207</td>
</tr>
<tr>
<td>Excise</td>
<td>879,000</td>
<td>61,251</td>
<td>12,840</td>
<td>72,191</td>
<td>8,25</td>
</tr>
<tr>
<td>Employment</td>
<td>50,307,000</td>
<td>54,634</td>
<td>6,949</td>
<td>31,350</td>
<td>13</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>149</td>
<td>11</td>
<td>182</td>
<td>182</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tax return</th>
<th>Filing status</th>
<th>Total</th>
<th>Tax</th>
<th>Service</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service center corrections</td>
<td>285</td>
<td>285</td>
<td>285</td>
<td>285</td>
<td></td>
</tr>
</tbody>
</table>

- Total positive income.
- Total gross receipts.
- Includes $5,000 Farm 120 IRC51 not allocated to corporation classes.
- Balance sheet assets.
Table 9—Addition tax and penalties recommended after examination by class of tax and by internal revenue regions and districts and other areas.

| Region                  | Total | Individual | Federal | Corporation | Estate | Gift | Excise | Entertainment | Other | Wages and salaries | Profits and gains | Commissions       | Royalties | Other | Interest | Dividends | Trust income | Penalty savings | Total penalties |
|-------------------------|-------|------------|---------|------------|--------|-----|--------|--------------|-------|-------------------|------------------|------------------|------------|--------|---------|----------|------------|----------------|----------------|-----------------|

Table 10—Number of returns examined by class of tax and by internal revenue regions and districts and other areas.

| Region                  | Total | Individual | Federal | Corporation | Estate | Gift | Excise | Entertainment | Other | Wages and salaries | Profits and gains | Commissions       | Royalties | Other | Interest | Dividends | Trust income | Penalty savings | Total penalties |
|-------------------------|-------|------------|---------|------------|--------|-----|--------|--------------|-------|-------------------|------------------|------------------|------------|--------|---------|----------|------------|----------------|----------------|-----------------|

*Less than $500.*
Table 11.—Returns examined by examination divisions

| | Number of returns examined | Examinations opened | Examinations opened pending examination decisions | Examinations completed | Examinations completed pending examination decisions | Total
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>1,065,262</td>
<td>1,733,257</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1982</td>
<td>1,081,317</td>
<td>1,705,923</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,717,579</td>
</tr>
</tbody>
</table>

Table 12.—Overassessments of tax as the result of examination

| | Number of returns | Amount recommended
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>116,904</td>
<td>114,832</td>
</tr>
<tr>
<td>1982</td>
<td>118,272</td>
<td>130,059</td>
</tr>
<tr>
<td>Total</td>
<td>235,176</td>
<td>244,891</td>
</tr>
</tbody>
</table>

Table 14.—Civil penalties assessed and abated

| | Notes | Civil penalties assessed and abated
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Amount</td>
</tr>
<tr>
<td>Assessments</td>
<td>Number</td>
<td>Amount</td>
</tr>
<tr>
<td>Individual</td>
<td>1,369,712</td>
<td>746,301</td>
</tr>
<tr>
<td>Business</td>
<td>6,442,384</td>
<td>370,740</td>
</tr>
<tr>
<td>Failure to file</td>
<td>6,018,745</td>
<td>199,905</td>
</tr>
<tr>
<td>Failure to pay</td>
<td>6,018,745</td>
<td>199,905</td>
</tr>
<tr>
<td>Negligence</td>
<td>3,448,975</td>
<td>545,975</td>
</tr>
<tr>
<td>Negligence intentional withholding</td>
<td>6,018,745</td>
<td>199,905</td>
</tr>
<tr>
<td>Negligence intentional withholding</td>
<td>6,018,745</td>
<td>199,905</td>
</tr>
<tr>
<td>Total</td>
<td>14,290,011</td>
<td>2,907,794</td>
</tr>
</tbody>
</table>

Note: Amounts may not add due to rounding. With the exception of estimated tax penalties, penalties can apply to any tax year.

- Includes Form 2045, Form 3059 and Form 653.
- Includes Forms 2290, 4953, and 2290.
- Includes Forms 940 and 941, and 942, and 943.
- Includes Forms 940, 941, 942, 943, and 944.
- Includes all retirement accounts.
Table 15.—Appeals division receipt and disposition of cases not before the Tax Court (Nondocketed)

<table>
<thead>
<tr>
<th>Status</th>
<th>Number of cases</th>
<th>Amount assessed in revenue agents' reports (in thousands of dollars)</th>
<th>Number of cases</th>
<th>Amount assessed in case disposition (in thousands of dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pending Oct.</td>
<td>1</td>
<td>29,781</td>
<td>9,232,220</td>
<td>811,465</td>
</tr>
<tr>
<td>Received</td>
<td>11,494</td>
<td>3,563,686</td>
<td>115,600</td>
<td>9,225</td>
</tr>
<tr>
<td>Disposed of</td>
<td>13,581</td>
<td>3,563,686</td>
<td>105,400</td>
<td>11,600</td>
</tr>
<tr>
<td>Disposed of</td>
<td>1</td>
<td>2,541,376</td>
<td>70,377</td>
<td></td>
</tr>
<tr>
<td>Appeals cases disposed, costs, issues, and other income taxes assessed</td>
<td>1,203</td>
<td>35,455</td>
<td>4,145</td>
<td></td>
</tr>
<tr>
<td>Appeals cases disposed, costs, issues, and other income taxes assessed</td>
<td>227</td>
<td>7,279</td>
<td>4,105</td>
<td></td>
</tr>
<tr>
<td>Cases disposed, costs, issues, and other income taxes assessed</td>
<td>1,203</td>
<td>35,455</td>
<td>4,145</td>
<td></td>
</tr>
<tr>
<td>Cases disposed, costs, issues, and other income taxes assessed</td>
<td>227</td>
<td>7,279</td>
<td>4,105</td>
<td></td>
</tr>
</tbody>
</table>

B. Results

<table>
<thead>
<tr>
<th>Status</th>
<th>Number of cases</th>
<th>Appeals disposition (in thousands of dollars)</th>
<th>Taxpayers disposed of</th>
<th>Cases disposed of</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pending Oct.</td>
<td>1</td>
<td>29,781</td>
<td>9,232,220</td>
<td>811,465</td>
</tr>
<tr>
<td>Received</td>
<td>11,494</td>
<td>3,563,686</td>
<td>115,600</td>
<td>9,225</td>
</tr>
<tr>
<td>Disposed of</td>
<td>13,581</td>
<td>3,563,686</td>
<td>105,400</td>
<td>11,600</td>
</tr>
<tr>
<td>Disposed of</td>
<td>1</td>
<td>2,541,376</td>
<td>70,377</td>
<td></td>
</tr>
<tr>
<td>Appeals cases disposed, costs, issues, and other income taxes assessed</td>
<td>1,203</td>
<td>35,455</td>
<td>4,145</td>
<td></td>
</tr>
<tr>
<td>Appeals cases disposed, costs, issues, and other income taxes assessed</td>
<td>227</td>
<td>7,279</td>
<td>4,105</td>
<td></td>
</tr>
<tr>
<td>Cases disposed, costs, issues, and other income taxes assessed</td>
<td>1,203</td>
<td>35,455</td>
<td>4,145</td>
<td></td>
</tr>
<tr>
<td>Cases disposed, costs, issues, and other income taxes assessed</td>
<td>227</td>
<td>7,279</td>
<td>4,105</td>
<td></td>
</tr>
</tbody>
</table>

Table 16.—Appeals division receipt and disposition of cases petitioned to the Tax Court (Docketed)

<table>
<thead>
<tr>
<th>Status</th>
<th>Number of cases</th>
<th>Amount assessed in revenue agents' reports (in thousands of dollars)</th>
<th>Number of cases</th>
<th>Amount assessed in case disposition (in thousands of dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pending Oct.</td>
<td>1</td>
<td>11,793</td>
<td>1,058,396</td>
<td>17,277</td>
</tr>
<tr>
<td>Received</td>
<td>22,228</td>
<td>1,908,943</td>
<td>3,124</td>
<td></td>
</tr>
<tr>
<td>Disposed of</td>
<td>4,848</td>
<td>489,128</td>
<td>79,518</td>
<td></td>
</tr>
<tr>
<td>Disposed of</td>
<td>1</td>
<td>4,848</td>
<td>79,518</td>
<td></td>
</tr>
<tr>
<td>Appeals cases disposed, costs, issues, and other income taxes assessed</td>
<td>1,274</td>
<td>35,171</td>
<td>4,377</td>
<td></td>
</tr>
<tr>
<td>Appeals cases disposed, costs, issues, and other income taxes assessed</td>
<td>112</td>
<td>1,313</td>
<td>4,377</td>
<td></td>
</tr>
<tr>
<td>Cases disposed, costs, issues, and other income taxes assessed</td>
<td>1,274</td>
<td>35,171</td>
<td>4,377</td>
<td></td>
</tr>
<tr>
<td>Cases disposed, costs, issues, and other income taxes assessed</td>
<td>112</td>
<td>1,313</td>
<td>4,377</td>
<td></td>
</tr>
</tbody>
</table>

G. Results obtained in dispositions

<table>
<thead>
<tr>
<th>Method</th>
<th>Number of cases</th>
<th>Appeals disposition (in thousands of dollars)</th>
<th>Taxpayers disposed of</th>
<th>Cases disposed of</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pending Oct.</td>
<td>1</td>
<td>11,793</td>
<td>1,058,396</td>
<td>17,277</td>
</tr>
<tr>
<td>Received</td>
<td>22,228</td>
<td>1,908,943</td>
<td>3,124</td>
<td></td>
</tr>
<tr>
<td>Disposed of</td>
<td>4,848</td>
<td>489,128</td>
<td>79,518</td>
<td></td>
</tr>
<tr>
<td>Disposed of</td>
<td>1</td>
<td>4,848</td>
<td>79,518</td>
<td></td>
</tr>
<tr>
<td>Appeals cases disposed, costs, issues, and other income taxes assessed</td>
<td>1,274</td>
<td>35,171</td>
<td>4,377</td>
<td></td>
</tr>
<tr>
<td>Appeals cases disposed, costs, issues, and other income taxes assessed</td>
<td>112</td>
<td>1,313</td>
<td>4,377</td>
<td></td>
</tr>
<tr>
<td>Cases disposed, costs, issues, and other income taxes assessed</td>
<td>1,274</td>
<td>35,171</td>
<td>4,377</td>
<td></td>
</tr>
<tr>
<td>Cases disposed, costs, issues, and other income taxes assessed</td>
<td>112</td>
<td>1,313</td>
<td>4,377</td>
<td></td>
</tr>
</tbody>
</table>

Table 17.—Requests for EP/EO tax rulings and technical advice (Closings)

<table>
<thead>
<tr>
<th>Subject</th>
<th>Total</th>
<th>Taxpayers</th>
<th>Filed requests</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>6,236</td>
<td>7,827</td>
<td>798</td>
</tr>
<tr>
<td>Amended returns</td>
<td>1,250</td>
<td>2,177</td>
<td>218</td>
</tr>
<tr>
<td>Expectant organizations</td>
<td>3,986</td>
<td>3,950</td>
<td>394</td>
</tr>
<tr>
<td>Employee plans</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Employers</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 18.—Determination letters issued on ERISA employee benefit plans

<table>
<thead>
<tr>
<th>Letter issued</th>
<th>Stock bonus plan</th>
<th>Money purchase plan</th>
<th>Target benefit plan</th>
<th>Profit sharing plan</th>
<th>ESOP</th>
<th>Total number of determinations</th>
<th>Defined benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock bonus</td>
<td>315</td>
<td>381</td>
<td>26,946</td>
<td>0</td>
<td>1</td>
<td>32,445</td>
<td>0</td>
</tr>
<tr>
<td>Money purchase</td>
<td>54,286</td>
<td>172</td>
<td>103</td>
<td>2</td>
<td>0</td>
<td>55,271</td>
<td>36</td>
</tr>
<tr>
<td>Target benefit</td>
<td>28,727</td>
<td>1</td>
<td>112</td>
<td>0</td>
<td>0</td>
<td>28,839</td>
<td>11</td>
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<tr>
<td>Profit sharing</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>374</td>
<td>0</td>
</tr>
<tr>
<td>ESOP</td>
<td>374</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>374</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>110,340</td>
<td>381</td>
<td>26,946</td>
<td>0</td>
<td>1</td>
<td>99,931</td>
<td>36</td>
</tr>
</tbody>
</table>

Table 19.—Number of exempt organizations returns examined by type

<table>
<thead>
<tr>
<th>Section</th>
<th>Type of organization</th>
<th>Returns examined by type</th>
</tr>
</thead>
<tbody>
<tr>
<td>501(c)(3)</td>
<td>Private foundations</td>
<td>specializes in</td>
</tr>
<tr>
<td>501(c)(4)</td>
<td>Private foundations</td>
<td>businesses</td>
</tr>
<tr>
<td>501(c)(7)</td>
<td>Private foundations</td>
<td>plans</td>
</tr>
<tr>
<td>514(c)(2)</td>
<td>Private foundations</td>
<td>plans</td>
</tr>
<tr>
<td>514(c)(3)</td>
<td>Private foundations</td>
<td>plans</td>
</tr>
<tr>
<td>514(c)(4)</td>
<td>Private foundations</td>
<td>plans</td>
</tr>
<tr>
<td>514(c)(7)</td>
<td>Private foundations</td>
<td>plans</td>
</tr>
<tr>
<td>521</td>
<td>Private foundations</td>
<td>plans</td>
</tr>
</tbody>
</table>
Table 20.—Number of active entities on exempt organizations master file

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Operating Under Section 501(c)(3)</th>
<th>Operating Under Section 501(c)(4)</th>
<th>Operating Under Section 501(c)(6)</th>
<th>Operating Under Section 501(c)(10)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1981</td>
<td>5,126</td>
<td>652</td>
<td>36</td>
<td>145</td>
<td>6,049</td>
</tr>
<tr>
<td>1982</td>
<td>5,287</td>
<td>754</td>
<td>43</td>
<td>153</td>
<td>6,237</td>
</tr>
</tbody>
</table>

*This figure represents actual IRS operating costs from FY 1975, exclusive of reimbursements received from other agencies for services performed. While the operating costs figure for fiscal years prior to 1975 may in some cases include reimbursements, these amounts are small and do not alter the cost figures in column 5.
### Table 24—Costs incurred by the Internal Revenue Service by office (in thousands of dollars)

<table>
<thead>
<tr>
<th>Internal revenue office, district or region</th>
<th>Total</th>
<th>Personnel costs</th>
<th>Travel</th>
<th>Equipment</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>A. Overall, Internal Revenue Service</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Office</td>
<td>3,827,410</td>
<td>3,572,272.00</td>
<td>666.00</td>
<td>98,532.00</td>
<td>0.00</td>
</tr>
<tr>
<td>North Carolina</td>
<td>230,723</td>
<td>228,551.00</td>
<td>1,622.00</td>
<td>5,740.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Midwest</td>
<td>425,303</td>
<td>409,776.00</td>
<td>2,163.00</td>
<td>18,013.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Southeast</td>
<td>605,110</td>
<td>600,530.00</td>
<td>2,137.00</td>
<td>13,954.00</td>
<td>0.00</td>
</tr>
<tr>
<td>West</td>
<td>347,385</td>
<td>342,659.00</td>
<td>1,674.00</td>
<td>15,229.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total, Overall, Internal Revenue Service</td>
<td>2,249,916</td>
<td>2,131,752.00</td>
<td>15,757.00</td>
<td>137,800.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Note:** Reimbursements are included in the above figures.

### Table 24—Continued (in thousands of dollars)

<table>
<thead>
<tr>
<th>Internal revenue office, district or region</th>
<th>Total</th>
<th>Personnel costs</th>
<th>Travel</th>
<th>Equipment</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>B. Regional management offices</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Carolina</td>
<td>69,700</td>
<td>67,637.00</td>
<td>1,671.00</td>
<td>1,000.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Southeast</td>
<td>297,530</td>
<td>291,763.00</td>
<td>2,177.00</td>
<td>13,767.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Midwest</td>
<td>116,090</td>
<td>112,359.00</td>
<td>4,583.00</td>
<td>12,587.00</td>
<td>0.00</td>
</tr>
<tr>
<td>West</td>
<td>279,230</td>
<td>274,386.00</td>
<td>2,137.00</td>
<td>15,229.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total, Regional management offices</td>
<td>1,263,550</td>
<td>1,218,056.00</td>
<td>15,762.00</td>
<td>137,800.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

### Table 25—Personnel summary

<table>
<thead>
<tr>
<th>Location and type</th>
<th>Average</th>
<th>Number employed at</th>
<th>Average</th>
<th>Number employed at</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1982</td>
<td>2002</td>
<td>1982</td>
<td>2002</td>
</tr>
<tr>
<td>Service center</td>
<td>16,980</td>
<td>16,980</td>
<td>16,980</td>
<td>16,980</td>
</tr>
<tr>
<td>North Carolina</td>
<td>2,262</td>
<td>2,262</td>
<td>2,262</td>
<td>2,262</td>
</tr>
<tr>
<td>Midwest</td>
<td>2,948</td>
<td>2,948</td>
<td>2,948</td>
<td>2,948</td>
</tr>
<tr>
<td>Southeast</td>
<td>2,967</td>
<td>2,967</td>
<td>2,967</td>
<td>2,967</td>
</tr>
<tr>
<td>West</td>
<td>2,983</td>
<td>2,983</td>
<td>2,983</td>
<td>2,983</td>
</tr>
</tbody>
</table>

**Note:** Reimbursements are included in above figures.

1. Excludes employees with permanent appointments.
2. Includes terminal leaves for average positions realized for entire Service.
3. Includes National Computer Center and the Data Center.
Commissioners of Internal Revenue

Office of Commissioner of Internal Revenue created by Act of Congress, July 1, 1862.

George S. Boutwell Massachusetts July 17, 1862 / March 4, 1863
Joseph J. Lewis Pennsylvania March 19, 1863 / June 30, 1865
William Orton New York July 1, 1865 / Oct. 31, 1865
Edward A. Rollins New Hampshire Nov. 1, 1865 / March 10, 1869
Columbus Delano Ohio March 11, 1869 / Oct. 31, 1870
Alfred Plassonouth New York Jan. 3, 1871 / Aug. 8, 1871
John W. Douglass Pennsylvania Aug. 9, 1871 / May 14, 1875
Daniel D. Pratt Indiana May 15, 1875 / July 31, 1876
Green B. Baun Illinois Aug. 2, 1876 / April 30, 1883
Walter Evans Kentucky May 21, 1883 / March 19, 1885
Joseph S. Miller West Virginia March 20, 1885 / March 20, 1889
John W. Mason West Virginia March 21, 1889 / April 18, 1893
Joseph S. Miller West Virginia April 19, 1893 / Nov. 26, 1896
W. St. John Forman Illinois Nov. 27, 1896 / Dec. 31, 1897
Nathan B. Scott West Virginia Jan. 1, 1898 / Feb. 28, 1899

George W. Wilson Ohio March 1, 1899 / Nov. 27, 1900
John W. Yerkes Kentucky Dec. 20, 1900 / April 30, 1907
John G. Capers South Carolina June 5, 1907 / Aug. 31, 1909
Royd E. Cabell Virginia Sept. 1, 1909 / April 27, 1913
William H. Osborn North Carolina April 28, 1913 / Sept. 25, 1917
Daniel C. Roper Ohio Sept. 26, 1917 / March 31, 1920
William M. Williams Alabama April 1, 1920 / April 11, 1921
David H. Blair North Carolina May 27, 1921 / May 31, 1929
Robert H. Lucas Kentucky June 1, 1929 / Aug. 15, 1930
David Burnet Ohio Aug. 20, 1930 / May 15, 1933
Guy T. Helevering Kansas June 6, 1933 / Oct. 4, 1943
Robert E. Hannegan Missouri Oct. 9, 1943 / Jan. 22, 1944
Joseph D. Nunn, Jr. New York March 1, 1944 / June 30, 1947
George J. Schoenesman Rhode Island July 1, 1947 / July 31, 1951
John B. Dunlap Texas Aug. 1, 1951 / Nov. 18, 1952

Dana Latham California Nov. 5, 1958 / Jan. 20, 1961
Randolph W. Thrower Georgia April 1, 1969 / June 22, 1971
John H. Walters South Carolina Aug. 6, 1971 / April 30, 1973
Roscoe L. Egger, Jr. Indiana March 14, 1981

The following were Acting Commissioners during periods when there was no Commissioner holding the office:
Joseph J. Lewis of Pennsylvania from March 5 to March 17, 1863
John W. Douglas of Pennsylvania from Nov. 1, 1870, to Jan. 2, 1871
Henry C. Rogers of Pennsylvania from May 1 to May 10, 1883, and from May 1 to June 4, 1887
John J. Knox of Minnesota from May 11 to May 20, 1883
Robert Williams, Jr. of Ohio from Nov. 28 to Dec. 19, 1900
Walter W. West of Kentucky from April 12 to May 26, 1921
H. F. Mires of Washington from Aug. 16 to Aug. 19, 1930
Pressey R. Baldridge of Iowa from May 16 to June 5, 1933
Harold N. Graves of Illinois from Jan. 23 to Feb. 29, 1944
John S. Graham of North Carolina from Nov. 19, 1952, to Jan. 19, 1953
Justin F. Winkle of New York from Jan. 20 to Feb. 3, 1953
G. Gordon Deihl of Virginia from Nov. 1 to Dec. 4, 1955, and from Oct. 1 to Nov. 4, 1958
Charles I. Fox of Utah from Jan. 21 to Feb. 6, 1961
Bertrand M. Harding of Texas from July 11, 1964, to Jan. 24, 1965
William H. Smith of Virginia from Jan. 21 to March 31, 1969
Harold T. Swartz of Indiana from June 23 to Aug. 5, 1971
Raymond F. Harless of California from Jan. 5 to May 25, 1973
National Office

Commissioner
Roscoe L. Egger, Jr.

Deputy Commissioner
James I. Owens

Assistant to the Commissioner
Frederick T. Goldberg
John E. Williams

Assistant to the Commissioner (Equal Opportunity)
Harri L. Jones

Assistant to the Commissioner (Legislative Liaison)
Charles W. Wheeler (Acting)

Division Director:
Legislative Analysis
Damon O. Holmes (Acting)

Assistant to the Commissioner (Public Affairs)
Thyrn S. Smith

Taxpayer Ombudsman
Harold M. Browning

Assistant to the Deputy Commissioner
John E. Burke

Inspection

Assistant Commissioner
Robert L. Rebein

Deputy Assistant Commissioner
E. Darle Rudd

Division Directors:
Internal Audit
Erwin Sorbin (Acting)

Internal Security
William E. Mulroy

Data Processing

Associate Commissioner
(Vacant)

Computer Services
Assistant Commissioner
Joseph E. Bishop

Deputy Assistant Commissioner
Dean E. Morrow

Division Directors:
Hardware
Richard W. Marsh

Management Systems
(Vacant)

Planning and Control Staff
Donald E. Curtis

Software
Daniel N. Capazzoli

Returns and Information Processing
Assistant Commissioner
M. Eddie Heizner

Deputy Assistant Commissioner
Stanley Goldberg

Division Directors:
William E. Palmer

Program Planning and Review Staff
Suellen P. Hamby

Returns Processing and Accounting
Frederic F. Perdue

Statistics of Income
Frederick J. Schuener

Taxpayer Service
Walter M. Alt

Operations
Assistant Commissioner
Donald E. Bergherr

Collection
Assistant Commissioner
Larry G. Westfall

Deputy Assistant Commissioner
William M. Washburn

Criminal Investigation
Assistant Commissioner
Richard C. Wassenaar

Deputy Assistant Commissioner
John M. Rankin, Jr.

Examination
Assistant Commissioner
Percy F. Woodard

Deputy Assistant Commissioner
Frederic P. Williams

Employee Plans and Exempt Organizations
Assistant Commissioner
S. Allen Winborne

Deputy Assistant Commissioner
Raymond A. Spillman

Division Directors:
Artificial
Ira Cohen

Employee Plans
Billy M. Hargrett

Exempt Organizations
Joseph A. Tedesco

Policy and Management
Assistant Commissioner
Charles H. Brennan (Acting)

Human Resources
Assistant Commissioner
Dominick J. Lantionio

Deputy Assistant Commissioner
Orion L. Birdsell, Jr.

Division Directors:
Director of Practice
Leslie S. Shapiro

Management Information Systems Staff
David Boone

Payroll/Personnel System
Jerry Rabe (Acting)

Personnel
Ralph C. Kender

Tax Administration Advisory Services
Douglas S. Orman

Training and Development
Stephen J. Melzer (Acting)

Planning, Finance and Research
Assistant Commissioner
John L. Wedick, Jr.

Deputy Assistant Commissioner
Walter E. Bergman

Division Directors:
Fiscal Management
Joseph F. Kump

Planning and Analysis
John T. Blank

Research
Frank M. Malango

Support and Services
Assistant Commissioner
Kenneth G. Rivett

Deputy Assistant Commissioner
Alan A. Beck

Division Directors:
Data Center,
Detroit, Mich.

Centralized Services
David V. Swain

Disclosure and Security
Raymond L. Rizzo

Facilities Management
Richard E. Stonko

National Office Resources Management
Herbert J. Hull

Tax Forms and Publications
Robert L. Braver
Regional and District Officers

Central Region
Regional Commissioner
Philip E. Coates
Assistant Regional Commissioners:
Collection
Charles F. Jones
Criminal Investigation
Larry R. Hyatt
Examination
Donald L. Stewart
Resources Management
Billy J. Brown
Taxpayer Service and Returns Processing
Patrick J. Ruttle
District Directors:
Cincinnati, Ohio
James J. Ryan
Cleveland, Ohio
Everett Loury
Detroit, Mich.
Charles A. Parks
Indianapolis, Ind.
Paul D. Williams
Louisville, Ky.
John J. Jennings
Parkerburg, W.Va.
Richard C. Herman
Director, Cincinnati Service Center
John O. Hummel
Regional Inspector
John E. McManus

Mid-Atlantic Region
Regional Commissioner
William D. Waters
Assistant Regional Commissioners:
Collection
Leroy C. Guy
Criminal Investigation
Willard M. Cummings
Examination
Regina M. Deanehan
Resources Management
Philip G. Brand
Taxpayer Service and Returns Processing
Fred R. Endritx
District Directors:
Baltimore, Md.
Teddy R. Kern
Foreign Operations
Thurman J. Clancy
Newark, N.J.
Gary Matthews (Acting)
James T. Ridesotte
Pittsburgh, Pa.
Thomas L. Davis
Richmond, Va.
Charles E. Roddy
Wilmingtom, Del.
F. Clare Shy
Director, Philadelphia Service Center
Norman E. Morrill
Regional Inspector
Benjamin J. Redmond

Midwest Region
Regional Commissioner
Roger L. Plate
Assistant Regional Commissioners:
Collection
Allen G. Woodhouse
Criminal Investigation
Robert Wilson (Acting)
Examination
David G. Blattner
Resources Management
Jack E. Shank
Taxpayer Service and Returns Processing
John T. Ader
District Directors:
Aberdeen, S.D.
Thomas J. Yates
Chicago, Ill.
J. Robert Starkey
Des Moines, Iowa
John Edwards
Fargo, N.D.
Gary O. Booth
Milwaukee, Wis.
Lawrence M. Phillips
Omaha, Neb.
Mitchell E. Premia
Springfield, Ill.
Ira S. Loeb
St. Louis, Mo.
Robert A. Lebaube
St. Paul, Minn.
C. Dudley Switzer
Director, Kansas City Service Center
Roy D. Clark
Regional Inspector
(Vacant)

North Atlantic Region
Regional Commissioner
Cornelius J. Coleman (Acting)
Assistant Regional Commissioners:
Collection
Brian P. McMahon
Criminal Investigation
Raymond C. Turner
Examination
Robert Minhaberger
Resources Management
William H. Ethe
Taxpayer Service and Returns Processing
Raymond P. Keenan
District Directors:
Albany, N.Y.
John B. Langer
Augusta, Maine
William E. Switzer

Southeast Region
Regional Commissioner
Harold A. McGuffin
Assistant Regional Commissioners:
Collection
Conrad L. Clapper
Criminal Investigation
Joseph P. Pagoni
Examination
Ronald W. Kirby
Resources Management
Herma J. Hightower
Taxpayer Service and Returns Processing
Henry E. Leech, Jr.
District Directors:
Atlanta, Ga.
Michael J. Murphy
Birmingham, Ala.
Philip J. Sullivan
Columbia, S.C.
Donald L. Breilum
Greensboro, N.C.
Frederick C. Nielsen
Jackson, Miss.
Charles O. Guy (Acting)
Jacksonville, Fla.
Merlin W. Heye
Nashville, Tenn.
Alvin H. Kolak
Director, Atlanta Service Center
William B. Hartlage
Director, Memphis Service Center
James D. Hallman
Regional Inspector
Dale W. Gardner

Southwest Region
Regional Commissioner
Richard C. Voskuil
Assistant Regional Commissioners:
Collection
Mervel E. Coil (Acting)
Criminal Investigation
Frederick L. Sleet
Examination
Robert E. Dais
Resources Management
James A. Lindsey (Acting)
Taxpayer Service and Returns Processing
Bobby G. Hughes
District Directors:
Albuquerque, N.M.
Francis L. Browitt
Austin, Texas
Robert M. McKeever
Cheyenne, Wyo.
Michael J. Kelly
Dallas, Texas
Glenn Cagle
Denver, Colo.
Gerald L. Mihlbachler
Houston, Texas
Arturo A. Jacobs

Little Rock, Ariz.
William F. Bariow
New Orleans, La.
Jack P. Chivatero
Oklahoma City, Okla.
Howard C. Longley
Wichita, Kan.
Clarence M. King, Jr.
Director, Austin Service Center
Carolyn R. Leonard
Regional Inspector
Paul F. Kearns

Western Region
Regional Commissioner
Thomas A. Cardoza
Assistant Regional Commissioners:
Collection
Paul R. Dickey
Criminal Investigation
Peter J. Rumore
Examination
Elmer W. Kletke
Resources Management
Michael P. Dolan
Taxpayer Service and Returns Processing
C. William Grabe
District Directors:
Anchorage, Alaska
John L. Carlson
Boise, Idaho
William M. Jacobs
Helena, Mont.
Richard S. Wintrode
Honolulu, Hawaii
John D. Johnson
Los Angeles, Calif.
William H. Connett
Phoenix, Ariz.
Prescott A. Berry

Portland, Ore.
T. Blair Evans
Reno, Nev.
Gerard F. Swanson
Salt Lake City, Utah
Carol M. Pay
San Francisco, Calif.
Michael D. Sassi
Seattle, Wash.
Michael J. Quinn
Director, Fresno Service Center
Theron C. Polivka
Director, Ogden Service Center
Dominic E. Petreolla
Regional Inspector
(Vacant)
The following were Acting Chief Counsel during periods when there was no Chief Counsel holding the office:

- John W. Burns from March 2, 1936, to Nov. 30, 1936
- Mason B. Leming from Dec. 5, 1951, to May 15, 1952
- Kenneth W. Gemmill from June 11, 1953, to Nov. 8, 1953
- Lester R. Uretz from April 1, 1966, to April 11, 1966
- Richard M. Hahn from Jan. 20, 1969, to June 26, 1969
- Lee H. Henkel, Jr. from Jan. 16, 1972, to June 11, 1972
- Charles L. Sanders, Jr. from Jan. 20, 1977, to April 15, 1977
- Leon G. Wigner from April 16, 1977, to June 23, 1977
- Lester Stein from June 1, 1979, to Nov. 16, 1979

Note: From 1866 to 1936, the chief legal officer for the Internal Revenue Service was known as the Solicitor. For the next eight years, 1936 to 1934, he had the title of General Counsel for the Bureau of Internal Revenue. Since 1934, he has operated under the title of Chief Counsel.
Central Region
Regional Counsel
Vernon Jean Owens
Deputy Regional Counsel (Criminal Tax)
Gerald W. Fuller
Deputy Regional Counsel (General Litigation)
Charles M. Layton
Deputy Regional Counsel (Tax Litigation)
Robert A. Roberts
Assistant Regional Counsel (General Legal Services)
George T. Bell
Regional Director of Appeals
Claude C. Rogers, Jr.
District Counsel:
Cincinnati, Ohio
Clarence I. Barnes, Jr.
Cleveland, Ohio
Buckley D. Sowards
Detroit, Mich.
Charles S. Stroad
Indianapolis, Ind.
Ross E. Springer
Louisville, Ky.
Ferdinand J. Lotz, III
Mid-Atlantic Region
Regional Counsel
David E. Gaston
Deputy Regional Counsel (Criminal Tax)
Richard A. Francis, Jr.
Deputy Regional Counsel (General Litigation)
John G. Kusacne
Deputy Regional Counsel (Tax Litigation)
Christopher J. Ray
Assistant Regional Counsel (General Legal Services)
David J. Marneman
Regional Director of Appeals
James J. Cassim
District Counsel:
Baltimore, Md.
Herbert A. Sedman
Foreign Operations
Marlene Gross
Newark, N.J.
Edward H. Hance
Charles F. T. Carroll
Pittsburgh, Pa.
Donald W. Howard
Richmond, Va.
Marion B. Morton
Washington, D.C.
Thomas C. Morrison
Midwest Region
Regional Counsel
Dennis J. Fox
Deputy Regional Counsel (Criminal Tax)
Harold L. Cook
Deputy Regional Counsel (General Litigation)
James H. Martin
Deputy Regional Counsel (Tax Litigation)
Charles B. Wolfe, Jr.
Staff Assistant to the Regional Counsel (General Legal Services)
James M. Gecker
Regional Director of Appeals
Donato Cantalupo
District Counsel:
Chicago, Ill.
Dennis J. Condon
Denver, Colo.
Richard B. Dugan
Kansas City, Mo.
James T. Finlen, Jr.
Milwaukee, Wis.
Nelson E. Shaffer
Omaha, Neb.
Ronald M. Frykberg
Springfield, Ill.
Jeff P. Elzrich
St. Louis, Mo.
William J. McNamara
St. Paul, Minn.
Robert F. Cunningham
North-Atlantic Region
Regional Counsel
Agatha L. Vorsanger
Deputy Regional Counsel (Criminal Tax)
Robert Neal
Deputy Regional Counsel (General Litigation)
Myron Levine
Deputy Regional Counsel (Tax Litigation)
Jay S. Hamelburg
Assistant Regional Counsel (General Legal Services)
Robert F. Hornain
Regional Director of Appeals
Gerard R. Laposito
District Counsel:
Albany, N.Y.
H. Stephen Kesselman
Boston, Mass.
Robert B. Dugan
Brooklyn, N.Y.
Sumner L. Lipsky
Buffalo, N.Y.
John E. White
Hartford, Conn.
Powell W. Holly, Jr.
Manhattan, N.Y.
Gerald Becker
Southeast Region
Regional Counsel
Jack D. Yarbrough
Deputy Regional Counsel (Criminal Tax)
Jack Morton
Deputy Regional Counsel (General Litigation)
Dean R. Morley, III
Deputy Regional Counsel (Tax Litigation)
Vacant
Assistant Regional Counsel (General Legal Services)
Harry G. Mason
Regional Director of Appeals
Robert B. Douthitt
Southwest Region
Regional Counsel
William B. Riley
Deputy Regional Counsel (Criminal Tax)
Michael W. Bentley
Deputy Regional Counsel (General Litigation)
Charles L. McReynolds, Jr.
Deputy Regional Counsel (Tax Litigation)
David L. Jordan
Assistant Regional Counsel (General Legal Services)
Gary A. Anderson
Regional Director of Appeals
Ralph F. Shilling
District Counsel:
Atlanta, Ga.
W. Preston White, Jr.
Birmingham, Ala.
John B. Harper
Greensboro, N.C.
Alan I. Weinberg
Jacksonville, Fla.
Roy S. Fischbeck
Miami, Fla.
Glen W. Gibson, II
Nashville, Tenn.
Richard J. Neubauer
Southeast Region
Regional Counsel
William B. Riley
Deputy Regional Counsel (Criminal Tax)
Michael W. Bentley
Deputy Regional Counsel (General Litigation)
Charles L. McReynolds, Jr.
Deputy Regional Counsel (Tax Litigation)
David L. Jordan
Assistant Regional Counsel (General Legal Services)
Gary A. Anderson
Regional Director of Appeals
Ralph F. Shilling
District Counsel:
Dallas, Texas
Kennon A. Little
Denver, Colo.
George G. Young
Houston, Texas
Harold Friedman
New Orleans, La.
George H. Becker
Oklahoma City, Okla.
Walter G. Johnson
Western Region

Regional Counsel
Emory L. Langdon

Deputy Regional Counsel (Criminal Tax)
J. Richard Murphy, Jr.

Deputy Regional Counsel (General Litigation)
Fayette G. Taylor

Deputy Regional Counsel (Tax Litigation)
Thomas F. Kelly

Assistant Regional Counsel (General Legal Services)
Robert J. Wilson

Regional Director of Appeals
Ralph P. Albrecht

District Counsel:

Los Angeles, Calif.
Joseph O. Greaves

Phoenix, Ariz.
Roger Rhodes

Portland, Ore.
Henry R. Snyder

Reno, Nev.
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