

Individual Income Tax Returns: Selected Characteristics From the 1984 Taxpayer Usage Study

By Dorothea Riley*

The large number of individual income tax returns filed in April 1985, led to a 2.2 million increase in returns filed for Tax Year 1984 compared to 1983. The number filed in April is consistent with the trend of recent years for more and more taxpayers to delay filing until their returns are actually due.

Another recent trend shows that many taxpayers also wait until after April 15th to file their returns. This is evidenced by the growing number who request filing extensions and the growing proportion of total taxpayers that they represent. Thus, while returns filed through April 1985 were up compared to 1984, the proportion they represented of the expected total for the year was down. The table below shows, for recent years, the number of returns filed and the number and percent filed by April 15th.

This article presents an analysis of individual income tax returns received by the Internal Revenue Service (IRS) from January through April 1985 based on the IRS Taxpayer

Usage Study (TPUS) and includes comparisons with similar data reported for prior tax years. The Taxpayer Usage Study is a special annual statistical study based on a sample of individual income tax returns as they are received during the normal filing season [1]. The data presented in this article reflect entries as made by the taxpayer. Therefore, any taxpayer reporting errors are reflected in the data. Because the sample used for the statistics was not stratified, dollar estimates would be subject to large sampling variations, so only frequency estimates are cited in this article.

OVERALL FILING TRENDS

The increase over Tax Year 1983 in total returns filed resulted from many factors, the most obvious of which was the 4.2 million increase in average employment for 1984 [2]. The largest increase, in terms of type of return, was in the "long form" or Form 1040. As the table below shows, the number of 1040's rose by more than 2 million over the comparable

| Returns filed | 1980 | 1981 | 1982 | 1983 | 1984 |
|--|----------------------------------|--------|--------|--------|-------------------|
| | (Number of returns in thousands) | | | | |
| | (1) | (2) | (3) | (4) | (5) |
| Returns filed through December of the following year.. | 92,551 | 95,520 | 95,609 | 97,898 | 100,900 <u>1/</u> |
| Returns filed through April of the following year..... | 89,154 | 90,670 | 89,964 | 90,407 | 92,611 |
| Returns filed through April as a percent of returns filed through December..... | 96.3 | 94.9 | 94.1 | 92.3 | 91.8 <u>2/</u> |

1/ Projections by the IRS Research Division for Calendar Year 1985.

2/ Estimated based on the projection shown.

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Individual Income Tax Returns, 1984 Taxpayer Usage Study

filing period in 1984. Their share of total returns also increased--from 61.8 to 62.5 percent.

| Type of Return | Tax Years | | | | |
|-------------------------|----------------------------------|--------|--------|--------|------|
| | 1981 | 1982 | 1983 | 1984 | |
| | (Number of returns in thousands) | | | | |
| | (1) | (2) | (3) | (4) | |
| All returns. | 90,670 | 89,964 | 90,407 | 92,611 | |
| Long form (1040)..... | 53,544 | 54,687 | 55,853 | 57,862 | |
| Short forms, total..... | 37,126 | 35,277 | 34,556 | 34,749 | |
| 1040A..... | 37,126 | 20,492 | 19,094 | 18,422 | |
| 1040EZ..... | N/A | 14,785 | 15,462 | 16,327 | |
| All returns. | Percentage of returns | | | | |
| | 100.0 | 100.0 | 100.0 | 100.0 | |
| | Long form (1040)..... | 59.1 | 60.8 | 61.8 | 62.5 |
| | Short forms, total..... | 40.9 | 39.2 | 38.2 | 37.5 |
| 1040A..... | 40.9 | 22.8 | 21.1 | 19.9 | |
| 1040EZ..... | N/A | 16.4 | 17.1 | 17.6 | |

N/A - Not applicable.

The number of 1040A's decreased from 19.1 million last year to 18.4 million this year. Rising incomes, the itemizing of deductions as well as certain tax provisions in the Internal Revenue Code appear to have caused many former 1040A filers to switch to the Form 1040. Moreover, income from pensions [3], dividends and interest income in excess of \$400, and, in

general, any other income from investments, plus the deductions for certain statutory adjustments from "total income," could only be reported on a 1040. At the same time, some of the increase in use of the 1040EZ may have been related to the decline in use of the 1040A, although the major reason for the increase in 1040EZ filers was probably its use by first-time filers of tax returns.

As already mentioned, there has been a trend in recent years for growing numbers of taxpayers to file their returns at later dates during the normal filing season. At the same time, growing numbers have been filing after April 15th by taking advantage of the automatic extension of time in which to file. For 1984, the fact that many more taxpayers had an outstanding tax balance to pay in comparison to 1983 may have accelerated this trend. Up to half of the 4 million increase in returns with a balance due were filed in April. One of the causes for this increase may have been the taxation of social security benefits for the first time. An early analysis of returns reporting social security benefits showed that a disproportionate number of them had a tax due at time of filing [4].

SHIFTS IN FILING STATUS

The table below shows that the number of joint returns, after declining for Tax Year 1983, is now approximately 1 million above the 1982 level. As it turned out, the decline for 1983 was due simply to the late filing of many joint returns after the cutoff date used for these early data. Final figures for 1982 and 1983 show that there was actually an increase of about 400,000 joint returns for 1983 over 1982.

| Item | Tax Years | | | | |
|---|----------------------------------|--------|--------|--------|--------|
| | 1980 | 1981 | 1982 | 1983 | 1984 |
| | (Number of returns in thousands) | | | | |
| | (1) | (2) | (3) | (4) | (5) |
| All returns | 89,154 | 90,670 | 89,964 | 90,407 | 92,611 |
| Number with balance due IRS at time of filing | 19,604 | 19,968 | 18,441 | 15,501 | 19,490 |
| Percent of total | 22.0 | 22.0 | 20.5 | 17.1 | 21.0 |

| Form Type | Tax Years | | |
|-------------------------------------|----------------------------------|--------|--------|
| | 1982 | 1983 | 1984 |
| | (Number of returns in thousands) | | |
| | (1) | (2) | (3) |
| All returns | 89,964 | 90,407 | 92,611 |
| Joint returns.... | 44,977 | 43,924 | 45,899 |
| Nonjoint returns. | 44,987 | 46,483 | 46,712 |
| Long forms (1040).. | 54,687 | 55,853 | 57,862 |
| Joint returns.... | 36,205 | 35,878 | 38,168 |
| Nonjoint returns. | 18,482 | 19,975 | 19,694 |
| Short forms (1040A and 1040EZ)..... | 35,277 | 34,556 | 34,749 |
| Joint returns (1040A) | 8,773 | 8,046 | 7,731 |
| Nonjoint returns: | | | |
| 1040A..... | 11,719 | 11,048 | 10,691 |
| 1040EZ..... | 14,785 | 15,462 | 16,327 |

individual, or \$32,000 for a married couple filing a joint return. There was no such base amount for a married person filing a separate return. The growing elderly population and the taxation of their social security benefits for the first time added to the number of returns filed for 1984 (as well as to the number of taxpayers who used Form 1040). The actual number of beneficiaries who did not have to file 1983 returns and who were therefore restored to the tax rolls for 1984 is not known.

There were 36.5 million persons who received social security benefits during 1984 [5]. Because the number of joint returns for 1984 where both spouses reported social security benefits is not available, the relationship between the 36.5 million recipients and the 6.7 million returns showing "gross" social security benefits cannot be determined with any accuracy at this time. However, less than one-half of the 6.7 million returns showed "taxable" benefits and, as would be expected, almost all of them had AGI's of \$20,000 or more (see below).

SOCIAL SECURITY BENEFITS

Beginning with 1984, the Social Security Amendments Act of 1983 provided that a portion of social security benefits be included in the adjusted gross income (AGI) of any individual whose income exceeded a certain amount. Social security benefits were partially taxable when AGI (plus any tax-exempt interest on state or local Government bonds), combined with 50 percent of the social security benefits, exceeded a base amount of \$25,000 for an

Generally, if the only income the taxpayer received during 1984 was from social security benefits, the benefits probably were not taxable and no return had to be filed unless the taxpayer was married, lived with his or her spouse at any time during 1984, and did not elect to file a joint return with this spouse. The maximum monthly amount of social security benefits for 1984 was \$703.60. The average monthly benefits were \$314 for recipients living in their own household and who had no other "countable income," and \$472 for eligible couples [6].

| Size of adjusted gross income | 1040 returns filed | | |
|-------------------------------|----------------------------------|---|---|
| | Total | Gross social security benefits reported | Taxable social security benefits reported |
| | (Number of returns in thousands) | | |
| | (1) | (2) | (3) |
| All 1040 returns | 57,862 | 6,685 | 2,779 |
| Under \$5,000 1/..... | 5,016 | 555 | *34 |
| \$5,000 under \$10,000..... | 5,912 | 990 | *11 |
| \$10,000 under \$15,000..... | 5,176 | 979 | *22 |
| \$15,000 under \$20,000..... | 6,313 | 679 | - |
| \$20,000 under \$30,000..... | 12,100 | 1,272 | 559 |
| \$30,000 under \$50,000..... | 15,942 | 1,328 | 1,281 |
| \$50,000 under \$100,000..... | 5,444 | 697 | 685 |
| \$100,000 or more..... | 959 | 185 | 185 |

1/ Includes returns without adjusted gross income.

* Estimates should be used with caution because of the small number of sample returns on which they are based.

STATUTORY ADJUSTMENTS

The number of returns with adjustments for two-earner married couples continued to increase [7]. This "marital deduction" was claimed on an estimated 22.7 million joint Forms 1040 and 1040A returns filed through April 1985; the comparable figures for Tax Years 1982 and 1983 were 20.3 million and 21.0 million, respectively (see Table 2).

The deduction was claimed on 47.6 percent of joint returns for 1983, compared to 49.4 percent for 1984. The increased use of the deduction partly resulted from the increase of about 2.3 million in the number of working spouses from the fourth quarter of 1983 to the fourth quarter of 1984 [8]. About 97.5 percent of the Form 1040 filers claiming the deduction attached a Schedule W in support of the entry; this Schedule W was not required for Form 1040A filers (see Table 3).

Returns showing payments to individual retirement arrangements (IRA's), another statutory adjustment, continued to rise. The number of returns with payments to IRA's went from 12.8 million for 1983 to 15.4 million for 1984, an increase of nearly 20 percent. Figure A shows the percent of Forms 1040 and 1040A with the two statutory adjustments by size of AGI (see also Table 4).

TAXABLE RETURNS

The taxable status of returns for Tax Year 1984 (i.e., those that showed a "total tax liability") [9] ranged from 33 percent in the lowest AGI class to 96.1 percent in the highest AGI class. The number of returns with total tax liability rose from 74.3 million for 1983 to 76.7 million for 1984. (None of these data include returns for which IRS computed the tax for the taxpayer.) The overall increase in the number of returns filed, as well as the increase in incomes relative to deductions, were among the factors contributing to the growth in number (see Tables 5 and 6). Also contributing to the increase may have been more complete reporting of interest and dividend income as mentioned below.

INTEREST AND DIVIDEND INCOME

The number of taxpayers reporting interest income for 1984 increased by 6.5 million from the comparable period last year--from 53.5 million for 1983 to 60.0 million for 1984 (see below). The steady increase over the last three years was in part related to the continued

| | Tax Years | | | |
|-------------------------------|------------------------|--------|--------|--------|
| | 1981 | 1982 | 1983 | 1984 |
| | (Numbers in thousands) | | | |
| | (1) | (2) | (3) | (4) |
| Interest Income | | | | |
| All returns.... | 90,670 | 89,964 | 90,407 | 92,611 |
| Number with interest income. | 47,446 | 50,165 | 53,510 | 60,001 |
| Percent with interest income. | 52.3 | 55.8 | 59.2 | 64.8 |

rise in gross personal savings [10]. Also contributing to the increase may have been the strengthened reporting requirements for interest as well as dividend income imposed on payers by the Tax Equity and Fiscal Responsibility Act of 1982 [11]. The provisions of this act may also have added to the number of taxpayers reporting dividends, which increased from 15.5 million for 1983 to 16.8 million for 1984.

Table 9 shows the number of returns filed with entries for taxable interest income for 1984 by size of AGI. Table 10 provides similar data for returns with dividend income.

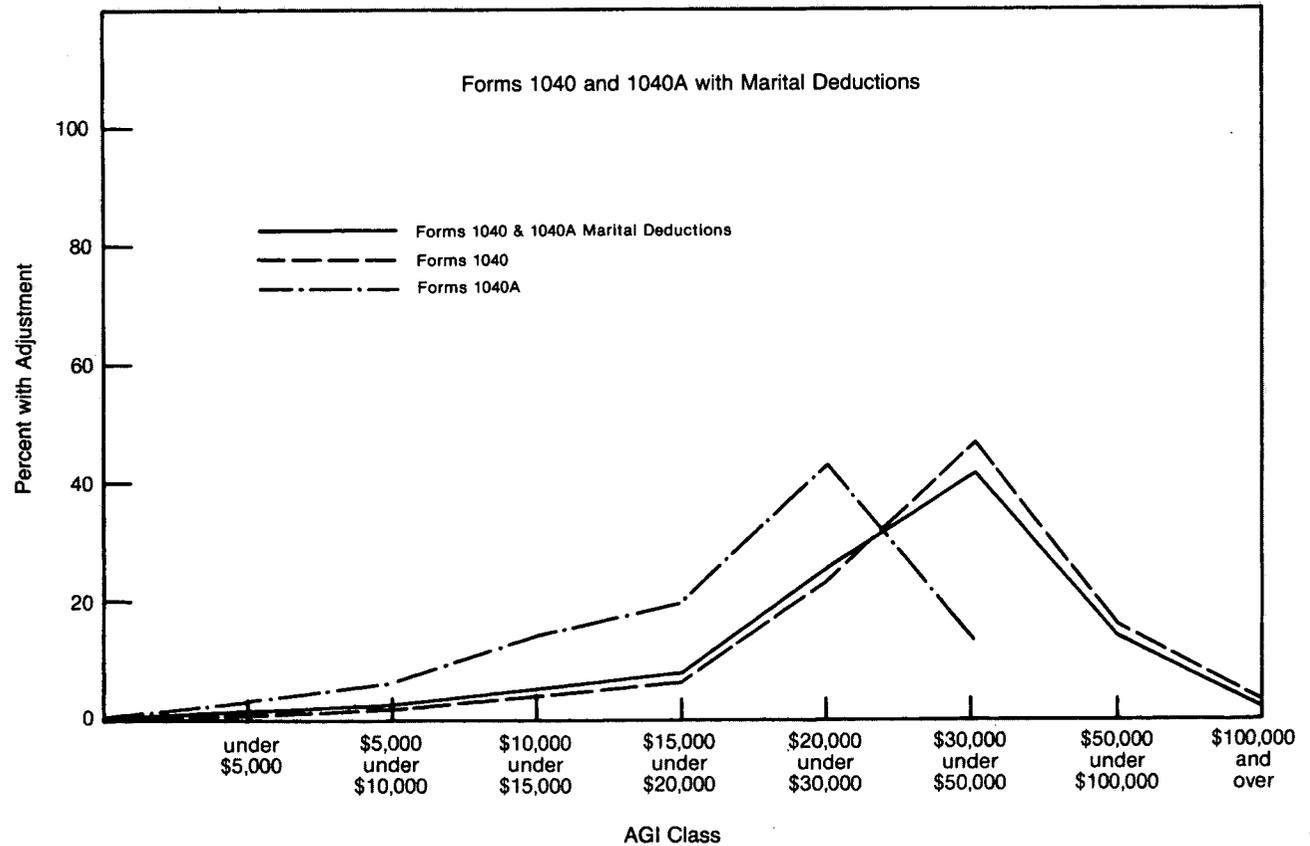
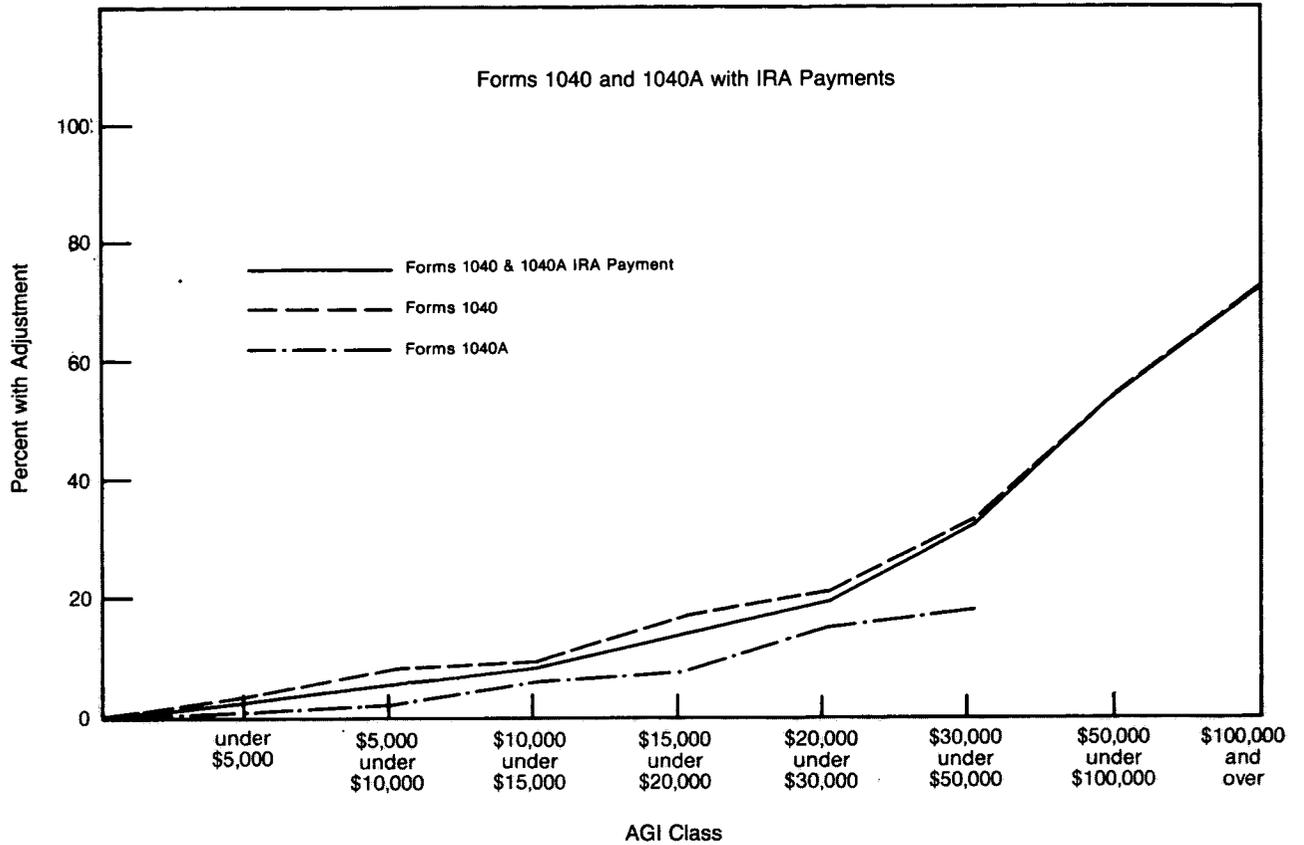
ITEMIZED DEDUCTIONS

The number of Form 1040 filers for 1984 who claimed itemized deductions in excess of the "zero bracket amount" (ZBA) increased from 58.3 percent for 1983 to 65.1 percent for 1984--a 6.8 percent increase from the comparable filing period last year (see the table below). The percent of taxpayers filing a Form 1040 partly to enable them to claim itemized deductions

| Tax Years | Returns with itemized deductions | |
|------------|----------------------------------|------------|
| | All returns | Forms 1040 |
| 1979 | 28.9% | 49.6% |
| 1980 | 30.6 | 51.7 |
| 1981 | 31.1 | 52.7 |
| 1982 | 34.9 | 57.4 |
| 1983 | 36.0 | 58.3 |
| 1984 | 40.7 | 65.1 |

has steadily grown over the past 6 years, mainly because of rising incomes and, in part related to rising incomes, increases in personal expenditures for medical services, state and local taxes paid, charitable contributions, and interest paid (often in connection with higher housing costs and mortgage rates) [12,13]. While the ZBA

Figure A
Selected Statutory Adjustments, 1984



remained unchanged for the seventh consecutive year, its real value declined, causing increased numbers of taxpayers with expenditures in excess of the ZBA to itemize their deductions. Table 11 shows, on a selected basis, the number of itemized deduction and other schedules and forms attached to the Form 1040.

TAX SHELTER REGISTRATION NUMBERS

The Tax Reform Act of 1984 contained several provisions designed to halt the growth of abusive tax shelters. Generally, if a taxpayer claimed any deductions, losses, credits, or other tax benefits, or reported any income relating to a tax shelter, a Form 8271 (Investor Reporting of Tax Shelter Registration Number) was also required to be submitted with the Form 1040. The tax shelter registration number had to be provided to the investor by the organizer of the tax shelter after it had been assigned the number by the IRS. For 1984, an estimated 275 thousand taxpayers (or 0.5 percent of the Form 1040 filers) reported a tax shelter registration number to the IRS with their Form 1040 return.

ATTACHED FORMS AND SCHEDULES

- o The Form W-2 (Wage and Tax Statement) continued to be the most prevalent attachment to the tax return, followed by the Schedule A (Itemized Deductions) and the Schedule B (Interest and Dividend Income). Table 12 shows that the W-2 statement was attached to 85.1 percent of all the returns filed--to 97.1 percent of Forms 1040EZ, 95.6 percent of the Forms 1040A, and 78.2 percent of Forms 1040. For joint returns, the percentage was higher than for other returns (see Table 13).
- o The number of Forms 1040 filed with a Schedule D (Capital Gains and Losses) increased from 7.5 million for Tax Year 1983 to 12.2 million for Tax Year 1984.

Beginning with 1984, individuals who received a Form 1099-B or equivalent statement, such as a broker's confirmation statement reporting sales of stocks, bonds and bartering transactions, had to report such amounts in Part VI of the Schedule D. Part VI of the Schedule D, new for Tax Year 1984, was designed to enable the IRS to compare amounts of capital gains and losses reported by brokers and barter exchanges with amounts reported by taxpayers on their tax returns. The table below shows, for the most recent 5-year period, the increase in the number of 1040's filed with a Schedule D attached.

| Item | Tax Years | | |
|--------------------------------|----------------------------------|--------|--------|
| | 1980 | 1981 | 1982 |
| | (Number of returns in thousands) | | |
| | (1) | (2) | (3) |
| Total Forms 1040... | 52,841 | 53,544 | 54,687 |
| With Schedule D attached | 6,389 | 6,689 | 7,033 |
| Percent of total | 12.1 | 12.5 | 12.9 |
| Item | 1983 | 1984 | |
| | (4) | (5) | |
| Total Forms 1040..... | 55,853 | 57,862 | |
| With Schedule D attached | 7,457 | 12,163 | |
| Percent of total | 13.4 | 21.0 | |

- o The number of Forms 1040 with a Schedule G (Income Averaging) declined for 1984--from 4.4 million for 1983 to 3.6 million for 1984. The rules for income averaging (a tax-saving option) were tightened for 1984. A taxpayer's current (1984) taxable income had to exceed 140 percent of his or her average taxable income for the 3 prior years, plus \$3,000, in order for income averaging to be used. (For 1983, the percent was 120 and the number of prior years taken into account was 4.)
- o For Tax Year 1983, 237,000 taxpayers attached Form 2440 to their tax returns in order to claim a disability income exclusion, which was available to totally disabled retirees under age 65. In addition 418,000 returns had an attached Schedule R/RP, on which the credit for the elderly was claimed. (Schedule R was used by taxpayers age 65 and over; Schedule RP by taxpayers under 65 who had pensions and annuities from a public retirement system.) For 1984, the disability income exclusion was changed to a credit, and combined on Schedule R with the retirement income credit. The new "credit for the elderly and the permanently and totally disabled" was available to disabled persons who were under age 65, and to any persons age 65 and over, as long as certain income requirements were met. Non-disabled public

retirees under age 65 were no longer eligible for the credit. Table 11 shows that 530,000 returns had a Schedule R attached for 1984. In addition, some 50,000 taxpayers erroneously attached the obsolete Form 2440 to claim the former disability exclusion.

UNEMPLOYMENT COMPENSATION

Taxpayers reporting unemployment compensation on Forms 1040 and 1040A decreased by 2.4 million for 1984--from 9.6 million for 1983 to 7.2 million for 1984. This decrease corresponds closely to the 2.2 million decline in average unemployment reported by the Bureau of Labor Statistics [14] for the same period. Of the 7.2 million taxpayers reporting unemployment compensation as income, over one-half, or 55.1 percent, had to include unemployment compensation in AGI. Almost 75 percent of the returns with taxable unemployment compensation were jointly filed returns (see Table 14).

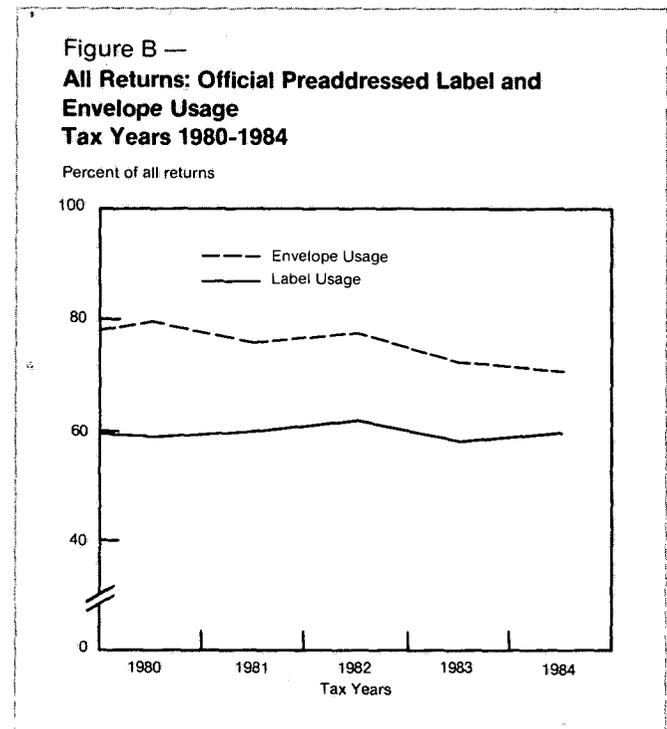
OFFICIAL PREAMDRESSED LABEL AND ENVELOPE USAGE

Use of the official IRS mailing label increased from 52.2 million returns for 1983 to 55.3 million for 1984. IRS has encouraged the use of the official preaddressed mailing label because it substantially reduces the cost of processing taxpayer documents. It also improves the chances that a return will post to the proper account on the computerized Individual Master File, without IRS having to re-transcribe the entire name, address, and social security number from the return. For Forms 1040EZ, use of the mailing label obviates the need for any transcription. The return record is read directly onto a computer tape by means of an optical scanning device.

Labels were more frequently used on returns without paid preparer signatures than on those with a preparer signature; almost 60 percent of returns without a paid preparer signature and over 40 percent of those with a preparer signature included the label. However, in spite of the fact that a smaller proportion of 1040A's than of 1040's had preparer signatures, label usage was lower on 1040A's than on 1040's. Label usage for Forms 1040EZ was 58 percent for 1984 compared to a little over 48 percent for 1983 (see Table 15).

Use of the official IRS coded envelope (provided in the IRS-mailed tax packages) was higher for Form 1040A filers (79.4 percent), than it was for Form 1040 filers (66.6 percent), possibly reflecting the practice of paid preparers to mail several tax returns in a single large envelope. Use of the preprinted codes on the official envelope greatly facilitates electronic sorting of returns in the IRS mailrooms.

Official envelope usage was greater than official label usage. This may be due to the inability to reuse the label once it is placed on a return form. If a new return form were needed to make a correction after the label had been affixed to a previous version, the label could not readily be peeled from the form and reused. Trends in the use of official labels and envelopes are shown in Figure B.



PAID PREPARER RETURNS

The number of returns with a paid preparer signature increased from 37.2 million, or 41 percent, for Tax Year 1983 to 41.5 million, or almost 45 percent, for Tax Year 1984. The increase in use of paid preparers was notable on Forms 1040 and 1040EZ. In regard to the Form 1040, the increase was particularly large -- from almost 32.0 million returns, or 57 percent, for 1983, to 36.6 million, or 63 percent, for 1984. While there has been a general trend towards increased use of paid preparers for several years, the large increase for Tax Year 1984 may have been related, at least in part, to the addition of new lines to the Form 1040 for gross and taxable social security benefits [15]. Table 14 shows the number of returns filed with a paid preparer signature by return type.

SUMMARY

The number of individual income tax returns filed through the end of April 1985 increased

by about 2.2 million over the comparable period in 1984. There is a growing trend for taxpayers to file their returns later and later each year, either during the normal filing season or, later on, through an extension of time in which to file. In addition, the complexity of the tax laws and changes to the laws and forms are other major reasons for this trend. A factor for 1984 was the increased number of taxpayers who still owed tax and, as a result, waited until the "last minute" to file.

Use of the long form (1040) has grown substantially over the past few years and, for 1984, comprised about 62.5 percent of all returns. Larger consumer expenditures, in part related to rising incomes, increases in state and local taxes, growing medical costs, high mortgage interest rates and increased housing costs, as well as the increase in total deductible amounts in excess of a static "zero bracket amount" have led more taxpayers to itemize their deductions and therefore to need Form 1040. The taxation of social security benefits for the first time added to the increase in returns filed for 1984 compared to 1983 and, because these benefits were reported on the Form 1040, to the increase in 1040 usage. Many of the returns showing social security benefits were filled out by paid preparers which added to the number and percent of all returns with a paid preparer signature.

The abolition of certain tax forms, such as the Form 2440, and changes in the tax rules, such as those governing the use of income averaging, have reduced the number of documents or the amount of information required to be submitted with the Form 1040. Increased publicity by the IRS concerning the use of the official mailing labels and envelopes has

raised taxpayer awareness concerning the advantages of their use and as a result has helped facilitate returns processing.

DATA SOURCES AND LIMITATIONS

Data for the Taxpayer Usage Study (TPUS) were derived from a continuous daily sampling of returns as they were received in the ten IRS service centers. Sampling was conducted for each service center at a designated 1-in-13,000 rate for Tax Years 1979 and 1980 and 1-in-15,000 for Tax Years 1981, 1982 and 1983. For Tax Year 1984, separate sampling rates were designated for each service center and ranged from 1-in-4,100 to 1-in-6,000. Because of budget reductions, the initial sampling rates were cut so that only one out of every three of the designated returns was used, resulting in a final sample for 1984 that was roughly comparable in size to those for earlier years, with theoretical sampling rates between 1-in-12,300 and 1-in-18,000.

The theoretical sampling rates were not used in weighting the file. Rather, a separate weight was computed for each return type (1040, 1040A, and 1040EZ) for each service center by dividing the TPUS sample into the official receipt count. The result was weights ranging from a low of 10,188.00 to a high of 20,279.44.

Figure D presents approximate coefficients of variation (CV's) for frequency estimates. The approximate CV's shown here are intended only as a general indication of the reliability of the data. For numbers of returns other than those shown in Figure D, the corresponding CV's can be estimated by interpolation.

Because the data presented in this article are estimates based on a sample of documents

Figure C.--Population and Sample Counts by Service Center and Form Type, Tax Year 1984

(Population in thousands)

| Service Center | Total | | Forms 1040 | | Forms 1040A | | Forms 1040EZ | |
|----------------|------------|--------|------------|--------|-------------|--------|--------------|--------|
| | Population | Sample | Population | Sample | Population | Sample | Population | Sample |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| U.S. Total.. | 92,611 | 7,147 | 57,862 | 4,783 | 18,422 | 1,231 | 16,327 | 1,133 |
| Andover..... | 7,819 | 637 | 4,744 | 420 | 1,435 | 104 | 1,640 | 113 |
| Atlanta..... | 9,967 | 800 | 5,616 | 502 | 2,490 | 166 | 1,861 | 132 |
| Austin..... | 10,943 | 694 | 6,235 | 435 | 2,758 | 136 | 1,950 | 123 |
| Brookhaven... | 7,766 | 733 | 5,094 | 500 | 1,538 | 136 | 1,134 | 97 |
| Cincinnati... | 7,843 | 704 | 5,094 | 494 | 1,318 | 104 | 1,431 | 106 |
| Fresno..... | 10,723 | 778 | 7,029 | 532 | 1,922 | 121 | 1,772 | 125 |
| Kansas City.. | 9,815 | 657 | 6,535 | 472 | 1,652 | 85 | 1,628 | 100 |
| Memphis..... | 10,510 | 766 | 6,143 | 480 | 2,507 | 165 | 1,860 | 121 |
| Ogden..... | 10,040 | 749 | 6,917 | 557 | 1,375 | 86 | 1,748 | 106 |
| Philadelphia. | 7,185 | 629 | 4,455 | 391 | 1,427 | 128 | 1,303 | 110 |

filed with the Internal Revenue Service, they are subject to sampling, as well as nonsampling, error. To use properly the statistical data provided, the magnitude of the sampling error must be known. Coefficients of variation (CV's), computed from the sample, are used to measure the magnitude of the sampling error.

Figure D.--Coefficients of Variation of Estimated Number of Returns, 1984

| Estimated number of returns | Approximate Coefficients of Variation (Percent) | | |
|-----------------------------|---|-------------|--------------|
| | Forms 1040 | Forms 1040A | Forms 1040EZ |
| | (1) | (2) | (3) |
| 50,000,000... | 1.67 | (*) | (*) |
| 20,000,000... | 2.64 | (*) | (*) |
| 15,000,000... | 3.05 | 3.24 | 3.31 |
| 10,000,000... | 3.73 | 3.96 | 4.05 |
| 5,000,000... | 5.28 | 5.61 | 5.73 |
| 1,000,000... | 11.81 | 12.54 | 12.81 |
| 500,000... | 16.70 | 17.73 | 18.12 |
| 100,000... | 37.33 | 39.64 | 40.51 |
| 75,000... | 43.11 | 45.77 | 46.78 |

(*) Not applicable because the estimated number of returns was greater than the population estimate.

NOTES AND REFERENCES

- [1] The 1984 statistics are based in all cases on filings through the end of April 1985. Data for earlier years used throughout this article for comparison purposes are also based on returns filed through April of the year following the tax year. The first detailed income and tax data for 1984 will appear in a separate article in the Winter 1985/1986 issue of the Statistics of Income Bulletin based on the larger Statistics of Income sample of returns.
- [2] U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, March 1985, Table A-1.
- [3] The Social Security Administration reported an increase of 1.9 million in the number of public pensioners between 1982 and 1984. The Department of Defense reported an increase of 100,000 in the number of military retirees and their

survivors for the same period. The U.S. Office of Personnel Management (OPM), however, reported a decline in the number of Federal retirees added to the roll because of fewer disability retirements (down from 14,307 added to the retirement roll in Fiscal Year 1982 to 9,756 added in Fiscal Year 1983), but also reported that normal retirements continued to increase slightly.

- [4] An analysis was made of the Form 1040 TPUS returns with social security benefits sampled during the period February 1 to March 28, 1985. It showed that about 40 percent of the taxpayers attached a payment for tax due at time of filing. By way of contrast, only 7 percent of all returns filed during that period had a balance due.
- [5] U.S. Department of Health and Human Services, Social Security Administration, Social Security Bulletin, April 1985, Table M-13.
- [6] U.S. Department of Health and Human Services, op.cit., p. 2.
- [7] Hostetter, Susan, and Holik Dan, "Preliminary Income and Tax Statistics for 1983 Individual Income Tax Returns." Statistics of Income Bulletin, Winter 1984-85, p. 19.
- [8] U.S. Department of Labor, op.cit., Table A-73.
- [9] Total tax liability, for purposes of this report, is defined as the sum of income tax after credits, self-employment tax, alternative minimum tax, tax from recapture of investment credit, social security tax on tip income not reported to employers and tax on IRA's. However, in contrast to other Statistics of Income reports, income tax after credits was computed without subtracting the earned income credit.
- [10] U.S. Department of Commerce, Bureau of Economic Analysis, Survey of Current Business, January 1985, Volume 65, No. 1 Table 5.1, p. 14.
- [11] The number of taxpayers reporting interest income has been steadily increasing for a number of years. However, some of the additional returns reporting interest or dividend income for 1984 may have been the result of the Interest and Dividends Tax Compliance Act of 1983 (P.L. 98-67, August 5, 1983, for payments made after December 31, 1983). That law replaced the withholding of tax on interest and dividends provided for

under the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) with "backup withholding" on interest and dividends at the 20 percent rate if a payee failed to provide a payer with a correct taxpayer identification number. Many payers informed their payees of these new rules and advised them that each transaction would be reported to the IRS.

[12] Hostetter, Susan and Holik, Dan, op.cit., Figure D, p. 22,.

[13] Data Resources, Inc., Review of the U.S. Economy, "Consumer Spending," April 1985, p. 56.

[14] U.S. Department of Labor, Bureau of Labor Statistics Employment and Earnings, January 1985, p. 154.

[15] The study of returns with social security benefits, sampled February 1 to March 28, 1985, cited above in footnote [4], showed that more than three-fourths of the returns had a paid preparer signature.

Table 1.--All Returns: Marital Status, by Type of Return and Size of Adjusted Gross Income

[All figures are estimates based on samples--data are in thousands]

| Marital status | Total | Number of returns by size of adjusted gross income | | | | | | | |
|--|--------|--|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|-------------------------|
| | | Under ¹ \$5,000 | \$5,000 under \$10,000 | \$10,000 under \$15,000 | \$15,000 under \$20,000 | \$20,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 or more |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| All returns, total..... | 92,611 | 15,102 | 14,402 | 12,816 | 10,532 | 16,303 | 17,053 | 5,444 | 959 |
| Single persons..... | 38,105 | 11,415 | 8,911 | 6,393 | 4,434 | 4,352 | 2,144 | 356 | 99 |
| Joint returns..... | 45,899 | 2,313 | 3,390 | 4,653 | 4,753 | 10,708 | 14,261 | 4,985 | 838 |
| Separate returns of husbands and wives..... | 923 | 230 | 251 | 207 | *92 | *86 | *46 | - | *11 |
| Heads of household..... | 7,457 | 1,096 | 1,788 | 1,530 | 1,239 | 1,122 | 568 | 103 | *11 |
| Surviving spouses..... | 228 | *50 | *62 | *34 | *13 | *35 | *35 | - | - |
| 1040 returns, total..... | 57,862 | 5,016 | 5,912 | 6,176 | 6,313 | 12,100 | 15,942 | 5,444 | 959 |
| Single persons..... | 15,591 | 2,964 | 3,037 | 2,155 | 2,226 | 2,846 | 1,908 | 356 | *99 |
| Joint returns..... | 38,168 | 1,687 | 2,200 | 3,310 | 3,396 | 8,280 | 13,473 | 4,985 | 838 |
| Separate returns of husbands and wives..... | 426 | *64 | *70 | *77 | *72 | *86 | *46 | - | *11 |
| Heads of household..... | 3,448 | 251 | 544 | 599 | 606 | 853 | 481 | 103 | *11 |
| Surviving spouses..... | 228 | *50 | *62 | *34 | *13 | *35 | *35 | - | - |
| 1040A returns, total..... | 18,422 | 3,429 | 4,216 | 3,769 | 2,710 | 3,227 | 1,072 | N/A | N/A |
| Single persons..... | 6,187 | 1,807 | 1,601 | 1,366 | 699 | 516 | 196 | N/A | N/A |
| Joint returns..... | 7,731 | 626 | 1,190 | 1,343 | 1,357 | 2,428 | 788 | N/A | N/A |
| Separate returns of husbands and wives..... | 496 | 150 | 182 | 130 | *20 | *14 | - | N/A | N/A |
| Heads of household..... | 4,009 | 845 | 1,244 | 930 | 633 | 269 | *87 | N/A | N/A |
| 1040EZ returns, total ² | 16,327 | 6,657 | 4,273 | 2,872 | 1,509 | 976 | *40 | N/A | N/A |

N/A - Not applicable

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

¹Includes returns with no adjusted gross income.

²All Forms 1040EZ were, by law, filed by single persons.

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

Table 2. --Joint Form 1040 and Form 1040A Returns: Deduction for Two-Earner Married Couples, by Size of Adjusted Gross Income

[All figures are estimates based on samples--numbers of returns and dollar amounts are in thousands]

| Size of adjusted gross income | Joint 1040 and 1040A returns | | | Joint 1040 returns | | | Joint 1040A returns | | |
|----------------------------------|------------------------------|--|------------|--------------------|--|------------|---------------------|--|-----------|
| | Total | With deduction for two-earner married couple | | Total | With deduction for two-earner married couple | | Total | With deduction for two earner married couple | |
| | | Number | Deduction | | Number | Deduction | | Number | Deduction |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Total returns..... | 45,899 | 22,679 | 21,571,000 | 38,168 | 19,320 | 19,270,200 | 7,731 | 3,359 | 2,300,800 |
| Under \$5,000 ¹ | 2,313 | 334 | 247,100 | 1,687 | 234 | 230,900 | 626 | *99 | 16,200 |
| \$5,000 under \$10,000..... | 3,390 | 551 | 151,400 | 2,200 | 331 | 104,700 | 1,190 | 219 | 46,700 |
| \$10,000 under \$15,000..... | 4,653 | 1,295 | 460,700 | 3,310 | 823 | 212,600 | 1,343 | 473 | 248,100 |
| \$15,000 under \$20,000..... | 4,753 | 1,888 | 848,300 | 3,396 | 1,225 | 529,700 | 1,357 | 663 | 318,600 |
| \$20,000 under \$30,000..... | 10,708 | 5,770 | 4,007,500 | 8,280 | 4,343 | 2,858,300 | 2,428 | 1,427 | 1,149,200 |
| \$30,000 under \$50,000..... | 14,261 | 9,421 | 10,403,600 | 13,473 | 8,943 | 9,881,600 | 788 | 478 | 522,000 |
| \$50,000 under \$100,000..... | 4,985 | 3,049 | 4,903,100 | 4,985 | 3,049 | 4,903,100 | N/A | N/A | N/A |
| \$100,000 or more..... | 838 | 372 | 549,300 | 838 | 372 | 549,300 | N/A | N/A | N/A |

N/A - Not applicable.

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

¹Includes returns with no adjusted gross income.

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

Table 3.--Joint Form 1040 and 1040A Returns: Number With Deduction for Two-Earner Married Couple, by Presence or Absence of Supporting Schedule W

[All figures are estimates based on samples--data are in thousands]

| Deduction for married couples | Total returns | Returns with Schedule W | |
|--|---------------|-------------------------|--------------|
| | | Attached | Not attached |
| | (1) | (2) | (3) |
| Joint Forms 1040 and 1040A returns, total..... | 45,899 | 18,902 | 26,997 |
| Number with deduction for married couple..... | 22,679 | 18,424 | 4,255 |
| Percent with deduction..... | 49.4 | 97.5 | 15.8 |
| Joint Form 1040 returns, total..... | 38,168 | 18,902 | 19,267 |
| Number with deduction for married couple..... | 19,320 | 18,424 | 897 |
| Percent with deduction..... | 50.6 | 97.5 | 4.7 |
| Joint Form 1040A returns, total..... | 7,731 | N/A | 7,731 |
| Number with deduction for married couple..... | 3,359 | N/A | 3,359 |
| Percent with deduction..... | 43.4 | N/A | 43.4 |

NOTES: This Schedule W was not required for Form 1040A filers.
Detail may not add to total because of rounding.

Table 4.--All 1040 and 1040A Returns: Number with Deduction for Payments to an Individual Retirement Arrangement (IRA), by Size of Adjusted Gross Income

[All figures are estimates based on samples--number of returns are in thousands]

| Payments to an IRA, size of payment | Total | Number of returns by size of adjusted gross income | | | | | | | |
|--|--------|--|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|-------------------------|
| | | Under ¹ \$5,000 | \$5,000 under \$10,000 | \$10,000 under \$15,000 | \$15,000 under \$20,000 | \$20,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 or more |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Form 1040 and 1040A returns, total..... | 76,284 | 8,445 | 10,128 | 9,944 | 9,022 | 15,327 | 17,014 | 5,444 | 959 |
| Returns with payments to an IRA: | | | | | | | | | |
| Total..... | 15,353 | 207 | 589 | 840 | 1,280 | 3,015 | 5,481 | 3,244 | 697 |
| Size of payment: | | | | | | | | | |
| \$1 under \$2,000..... | 3,052 | *77 | 252 | 163 | 419 | 802 | 1,089 | 250 | - |
| \$2,000..... | 5,587 | *92 | 272 | 513 | 666 | 1,377 | 1,680 | 848 | 141 |
| \$2,001 under \$2,250..... | *96 | - | - | *24 | - | *23 | *22 | *28 | - |
| \$2,250..... | 2,445 | *24 | *27 | *62 | 136 | 385 | 917 | 670 | 223 |
| \$2,251 under \$4,000..... | 559 | - | *14 | *27 | *12 | *64 | 269 | 137 | *35 |
| \$4,000..... | 3,559 | *14 | *24 | *51 | *37 | 354 | 1,481 | 1,300 | 298 |
| More than \$4,000..... | *54 | - | - | - | *10 | *10 | *23 | *11 | - |
| Returns without payments to an IRA.. | 60,932 | 8,238 | 9,539 | 9,104 | 7,742 | 12,312 | 11,533 | 2,200 | 262 |
| Form 1040 returns, total..... | 57,862 | 5,016 | 5,912 | 6,176 | 6,313 | 12,100 | 15,942 | 5,444 | 959 |
| Returns with payments to an IRA: | | | | | | | | | |
| Total..... | 14,046 | 174 | 490 | 590 | 1,054 | 2,511 | 5,286 | 3,244 | 697 |
| Size of payment: | | | | | | | | | |
| \$1 under \$2,000..... | 2,489 | *64 | 195 | *74 | 281 | 597 | 1,028 | 250 | - |
| \$2,000..... | 4,990 | *72 | 230 | 352 | 593 | 1,149 | 1,605 | 848 | 141 |
| \$2,001 under \$2,250..... | *97 | - | - | *24 | - | *23 | *22 | *28 | - |
| \$2,250..... | 2,342 | *24 | *27 | *62 | 121 | 342 | 873 | 670 | 223 |
| \$2,251 under \$4,000..... | 543 | - | *14 | *27 | *12 | *64 | 254 | 137 | *35 |
| \$4,000..... | 3,531 | *14 | *24 | *51 | *37 | 326 | 1,481 | 1,300 | 298 |
| More than \$4,000..... | *54 | - | - | - | *10 | *10 | *23 | *11 | - |
| Returns without payments to an IRA | 43,816 | 4,842 | 5,422 | 5,586 | 5,259 | 9,589 | 10,656 | 2,200 | 262 |
| Form 1040A returns, total..... | 18,422 | 3,429 | 4,216 | 3,769 | 2,710 | 3,227 | 1,072 | N/A | N/A |
| Returns with payments to an IRA: | | | | | | | | | |
| Total..... | 1,309 | *34 | 100 | 250 | 226 | 504 | 195 | N/A | N/A |
| Size of payment: | | | | | | | | | |
| \$1 under \$2,000..... | 566 | *14 | *58 | *89 | 138 | 206 | *61 | N/A | N/A |
| \$2,000..... | 599 | *20 | *42 | 161 | *73 | 228 | *75 | N/A | N/A |
| \$2,001 under \$2,250..... | 102 | - | - | - | *15 | *43 | *44 | N/A | N/A |
| \$2,250..... | *15 | - | - | - | - | - | *15 | N/A | N/A |
| \$2,251 under \$4,000..... | - | - | - | - | - | - | - | N/A | N/A |
| \$4,000..... | *27 | - | - | - | - | *27 | - | N/A | N/A |
| More than \$4,000..... | - | - | - | - | - | - | - | N/A | N/A |
| Returns without payments to an IRA.. | 17,113 | 3,395 | 4,116 | 3,519 | 2,484 | 2,723 | 877 | N/A | N/A |

N/A - Not applicable.

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

¹Includes returns with no adjusted gross income.

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

Table 5.--All Returns: Number With and Without Total Tax, by Type of Return and Size of Adjusted Gross Income
[All figures are estimates based on samples--data are in thousands]

| Total tax and type of return | Total | Number of returns by size of adjusted gross income | | | | | | | |
|--------------------------------|--------|--|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|-------------------------|
| | | Under ¹ \$5,000 | \$5,000 under \$10,000 | \$10,000 under \$15,000 | \$15,000 under \$20,000 | \$20,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 or more |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| All returns, total..... | 92,611 | 15,102 | 14,402 | 12,816 | 10,532 | 16,303 | 17,053 | 5,444 | 959 |
| Number with total tax..... | 76,659 | 5,202 | 11,939 | 12,039 | 9,926 | 15,318 | 16,205 | 5,108 | 922 |
| Number without total tax..... | 15,952 | 9,901 | 2,463 | 777 | 606 | 985 | 848 | 336 | *37 |
| Percent without total tax..... | 17.2 | 65.6 | 17.1 | 6.1 | 5.8 | 6.0 | 5.0 | 6.2 | 3.8 |
| Form 1040 returns, total..... | 57,862 | 5,016 | 5,912 | 6,176 | 6,313 | 12,100 | 15,942 | 5,444 | 959 |
| Number with total tax..... | 50,591 | 2,280 | 4,438 | 5,602 | 5,849 | 11,285 | 15,107 | 5,108 | 922 |
| Number without total tax..... | 7,271 | 2,737 | 1,474 | 573 | 464 | 815 | 835 | 336 | *37 |
| Percent without total tax..... | 12.6 | 53.6 | 24.9 | 9.3 | 7.3 | 6.7 | 5.2 | 6.2 | 3.8 |
| Form 1040A returns, total..... | 18,422 | 3,429 | 4,216 | 3,769 | 2,710 | 3,227 | 1,072 | N/A | N/A |
| Number with total tax..... | 14,355 | 765 | 3,287 | 3,579 | 2,596 | 3,069 | 1,059 | N/A | N/A |
| Number without total tax..... | 4,067 | 2,663 | 929 | 190 | 114 | 158 | *13 | N/A | N/A |
| Percent without total tax..... | 22.1 | 77.7 | 22.0 | 5.0 | 4.2 | 4.9 | 1.2 | N/A | N/A |
| Form 1040EZ returns, total.... | 16,327 | 6,657 | 4,273 | 2,872 | 1,509 | 976 | *40 | N/A | N/A |
| Number with total tax..... | 11,713 | 2,156 | 4,214 | 2,858 | 1,481 | 964 | *40 | N/A | N/A |
| Number without total tax..... | 4,614 | 4,501 | *59 | *14 | *28 | *12 | - | N/A | N/A |
| Percent without total tax..... | 28.3 | 67.6 | 1.4 | 0.5 | 1.9 | 1.9 | - | N/A | N/A |

N/A - Not applicable.

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

¹Includes returns with no adjusted gross income.

NOTES: Total tax is the sum of income tax after credits, self-employment tax, alternative minimum tax, tax from recapture of investment credit, social security tax on tip income not reported to employers and tax on an IRA. (Income tax after credits excludes the earned income credit).
Detail may not add to total because of rounding.

Table 6. --All Returns: Number With and Without Total Tax, by Type of Return and Paid Preparer Status
[All figures are estimates based on samples--data are in thousands]

| Total tax and type of return | All returns filed | Returns with paid preparer signature | |
|---------------------------------|-------------------------|---|---------------------|
| | | Total | Percent of total |
| | (1) | (2) | (3) |
| All returns, total..... | 92,611 | 41,460 | 44.8 |
| Number with total tax..... | 76,659 | 36,736 | 47.9 |
| Number without tax tax..... | 15,952 | 4,724 | 29.6 |
| Form 1040 returns, total..... | 57,862 | 36,585 | 63.2 |
| Number with total tax..... | 50,591 | 33,135 | 65.5 |
| Number without total tax..... | 7,271 | 3,450 | 47.4 |
| Form 1040A returns, total..... | 18,422 | 4,114 | 22.3 |
| Number with total tax..... | 14,355 | 3,157 | 22.0 |
| Number without total tax..... | 4,067 | 957 | 23.5 |
| Form 1040EZ returns, total..... | 16,327 | 760 | 4.7 |
| Number with total tax..... | 11,713 | 444 | 3.8 |
| Number without total tax..... | 4,614 | 316 | 6.8 |

NOTES: For the definition of total tax, see note on table 5.

Detail may not add to total because of rounding.

Individual Income Tax Returns, 1984 Taxpayer Usage Study

Table 7.--All Returns: Number With Reported Amounts for Overpayment, Refund, and Tax Due at Time of Filing or With No Payment Reported, by Marital Status

[All figures are estimates based on samples--data are in thousands]

| Type of payment reported | Total | Number of returns by marital status | | | | |
|--|--------|-------------------------------------|-------------------------------------|--|-------------------------------|------------------------------|
| | | Returns of single persons | Joint returns of husbands and wives | Separate returns of husbands and wives | Returns of heads of household | Returns of surviving spouses |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| All returns, total ¹ | 92,611 | 38,105 | 45,899 | 923 | 7,457 | 228 |
| Returns with — | | | | | | |
| Overpayment ² | 34,035 | 8,069 | 23,150 | 194 | 2,539 | *82 |
| Refund..... | 66,466 | 28,584 | 30,716 | 561 | 6,522 | *82 |
| Tax due at time of filing..... | 19,490 | 6,861 | 11,898 | 199 | 471 | *61 |
| No payment reported ³ | 3,050 | 1,427 | 1,369 | *30 | 224 | - |

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

¹Total is not the sum of the detail shown below because returns could be included in more than one of the categories. Also, not all taxpayers who reported a refund also reported it in total overpayments. The reverse also occurred, but to a lesser extent.²Forms 1040 only.³Includes returns with none of the above plus returns for which IRS computed the tax.

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

Table 8.--Form 1040 Returns: Number With Adjusted Gross Income and Selected Tax and Payment Items, by Size of Adjusted Gross Income

[All figures are estimates based on samples--data are in thousands]

| Size of adjusted gross income | Number of returns with— | | | | | |
|-------------------------------|-------------------------|-------------------------|-----------|---------------------|-----------------------------------|---------------------------|
| | Adjusted gross income | Alternative minimum tax | Total tax | Income tax withheld | Earned income credit ¹ | Tax due at time of filing |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| All 1040 returns, total..... | 92,611 | 212 | 76,659 | 78,962 | 4,302 | 19,490 |
| No adjusted gross income..... | 1,888 | - | 843 | 996 | 158 | 276 |
| \$1 under \$5,000..... | 13,214 | - | 4,359 | 10,155 | 1,248 | 1,429 |
| \$5,000 under \$10,000..... | 14,402 | - | 11,939 | 11,543 | 2,793 | 2,583 |
| \$10,000 under \$15,000..... | 12,816 | - | 12,039 | 10,795 | *16 | 2,435 |
| \$15,000 under \$20,000..... | 10,532 | *11 | 9,926 | 9,426 | *16 | 2,070 |
| \$20,000 under \$30,000..... | 16,303 | *14 | 15,318 | 14,795 | *50 | 3,710 |
| \$30,000 under \$50,000..... | 17,053 | *47 | 16,205 | 15,622 | *22 | 4,248 |
| \$50,000 under \$100,000..... | 5,444 | *82 | 5,108 | 4,797 | - | 2,138 |
| \$100,000 or more..... | 959 | *58 | 922 | 833 | - | 600 |

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

¹Includes returns with amounts used to reduce "total tax" (for definition, see table 5) to zero, and returns with refundable amounts (where the credit exceeded "total tax").

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

Table 9.--All Returns: Number With Interest Income by Tax Year and Size of Adjusted Gross Income

[All figures are estimates based on samples--number of returns are in thousands]

| Interest income | Total | Number of returns by size of adjusted gross income | | | | | | | |
|-----------------------------------|--------|--|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|-------------------------|
| | | Under ¹ \$5,000 | \$5,000 under \$10,000 | \$10,000 under \$15,000 | \$15,000 under \$20,000 | \$20,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 or more |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| Tax Year 1984 | | | | | | | | | |
| All returns, total..... | 92,611 | 15,102 | 14,402 | 12,816 | 10,532 | 16,303 | 17,053 | 5,444 | 959 |
| Returns with interest income..... | 60,001 | 6,309 | 7,118 | 7,437 | 6,721 | 11,621 | 14,736 | 5,114 | 945 |
| Percent with interest income..... | 64.8 | 41.8 | 49.4 | 58.0 | 63.8 | 71.3 | 86.4 | 93.9 | 98.5 |
| Tax Year 1983 | | | | | | | | | |
| All returns, total..... | 90,407 | 15,718 | 15,955 | 13,046 | 10,444 | 16,284 | 14,848 | 4,114 | |
| Returns with interest income..... | 53,510 | 5,919 | 7,502 | 6,612 | 6,114 | 11,063 | 12,454 | 3,847 | |
| Percent with interest income..... | 59.2 | 37.7 | 47.0 | 50.7 | 58.5 | 67.9 | 83.9 | 93.5 | |
| Tax Year 1982 | | | | | | | | | |
| All returns, total..... | 89,964 | 17,129 | 15,650 | 13,472 | 10,571 | 15,343 | 14,100 | 3,699 | |
| Returns with interest income..... | 50,165 | 5,592 | 6,981 | 6,710 | 6,028 | 9,993 | 11,408 | 3,474 | |
| Percent with interest income..... | 55.8 | 32.6 | 44.6 | 49.8 | 57.0 | 65.1 | 80.9 | 93.9 | |

¹Includes returns with no adjusted gross income.

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

Table 10.--Form 1040 Returns: Number With and Without Dividends, by Size of Adjusted Gross Income

[All figures are estimates based on samples--data are in thousands]

| Dividend income | Total | Number of returns by size of adjusted gross income | | | | | | | |
|---|--------|--|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|-------------------------|
| | | Under ¹ \$5,000 | \$5,000 under \$10,000 | \$10,000 under \$15,000 | \$15,000 under \$20,000 | \$20,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 or more |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| All 1040 returns, total..... | 57,862 | 5,016 | 5,912 | 6,176 | 6,313 | 12,100 | 15,942 | 5,444 | 959 |
| Returns with dividends (before exclusion)..... | 16,819 | 885 | 1,242 | 1,354 | 1,516 | 2,950 | 5,350 | 2,790 | 733 |
| Returns without dividends..... | 41,043 | 4,131 | 4,670 | 4,821 | 4,797 | 9,151 | 10,592 | 2,654 | 227 |

¹Includes returns with no adjusted gross income.

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

Individual Income Tax Returns, 1984 Taxpayer Usage Study

Table 11.--Form 1040 Returns: Number With Selected Forms and Schedules, by Size of Adjusted Gross Income

[All figures are estimates based on samples--data are in thousands]

| Form or Schedule | Total | Number of returns by size of adjusted gross income | | | | | | | |
|---|--------|--|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|-------------------------|
| | | Under ¹ \$5,000 | \$5,000 under \$10,000 | \$10,000 under \$15,000 | \$15,000 under \$20,000 | \$20,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 or more |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| All Forms 1040, total..... | 57,862 | 5,016 | 5,912 | 6,176 | 6,313 | 12,100 | 15,942 | 5,444 | 959 |
| A Itemized Deductions..... | 37,681 | 1,173 | 1,589 | 2,871 | 3,664 | 8,447 | 13,922 | 5,066 | 948 |
| B Interest and Dividend Income. | 32,219 | 2,227 | 3,408 | 3,408 | 3,046 | 6,116 | 8,873 | 4,231 | 910 |
| C Profit (or Loss) from | | | | | | | | | |
| Business or Profession..... | 10,150 | 1,091 | 1,046 | 1,339 | 804 | 2,057 | 2,542 | 1,038 | 235 |
| D Capital Gains and Losses..... | 12,163 | 927 | 698 | 1,160 | 960 | 1,933 | 3,514 | 2,242 | 729 |
| E Supplemental Income Schedule. | 12,346 | 866 | 1,130 | 1,096 | 1,123 | 2,145 | 3,642 | 1,727 | 618 |
| F Farm Income and Expenses..... | 3,019 | 552 | 427 | 358 | 227 | 527 | 608 | 254 | *66 |
| G Income Averaging..... | 3,617 | - | *36 | 122 | 264 | 797 | 1,187 | 904 | 308 |
| R Credit for the Elderly..... | 536 | *65 | 226 | 122 | *57 | *52 | *13 | - | - |
| SE Computation of Social Security Self-Employment Tax..... | 10,529 | 1,295 | 1,230 | 1,348 | 917 | 2,011 | 2,411 | 1,097 | 220 |
| W Deduction for a Married Couple When Both Work..... | 18,926 | 244 | 320 | 834 | 1,209 | 4,181 | 8,795 | 2,958 | 384 |
| 1116 Computation of Foreign Tax Credit..... | 367 | *23 | *13 | *50 | *10 | 109 | *68 | *39 | *55 |
| 2106 Employee Business Expenses... | 5,633 | *92 | 304 | 406 | 454 | 1,149 | 2,146 | 984 | *97 |
| 2119 Sale or Exchange of Principal Residence..... | 1,181 | 112 | *47 | *93 | 102 | 268 | 329 | 183 | *46 |
| 2210/ Underpayment of Estimated | | | | | | | | | |
| 2210F Income..... | 3,998 | *91 | 213 | 395 | 287 | 851 | 1,140 | 720 | 302 |
| 2440 Disability Income Exclusion.. | *50 | - | - | *10 | - | - | *39 | - | - |
| 2441 Credit for Child and Dependent Care Expenses..... | 4,565 | *49 | 162 | 286 | 380 | 1,033 | 2,044 | 525 | *86 |
| 3468 Computation of Investment Credit..... | 5,342 | 574 | 295 | 623 | 573 | 969 | 1,157 | 842 | 308 |
| 3903 Moving Expense Adjustment.... | 1,247 | *64 | *59 | 126 | 114 | 246 | 416 | 211 | *11 |
| 4136 Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil..... | 1,610 | 258 | 164 | 256 | 128 | 231 | 335 | 202 | *36 |
| 4255 Recapture of Investment Credit..... | 1,206 | 157 | *38 | *79 | *65 | 198 | 319 | 278 | *73 |
| 4562 Depreciation..... | 11,324 | 984 | 967 | 1,159 | 905 | 2,159 | 3,214 | 1,546 | 391 |
| 4684 Casualties and Thefts..... | 277 | *25 | - | *37 | *28 | *75 | *56 | *44 | *13 |
| 4797 Supplemental Schedule of Gains and Losses..... | 2,669 | 349 | *93 | 325 | 172 | 381 | 751 | 472 | 127 |
| 5329 Return for Individual Retirement Arrangement Taxes..... | *25 | *14 | - | - | - | - | *11 | - | - |
| 5695 Residential Energy Credit.... | *94 | *12 | *14 | - | *29 | - | *14 | *13 | *11 |
| 6251 Alternative Minimum Tax Computation..... | 3,148 | 104 | *87 | 214 | 132 | 301 | 908 | 883 | 519 |
| 6252 Computation of Installment Sale Income..... | 1,838 | 111 | 107 | 187 | 103 | 288 | 563 | 335 | 144 |

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

¹Includes returns with no adjusted gross income.

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

Table 12.--All Returns: Presence of W-2 Earnings Statement, by Type of Return and Size of Adjusted Gross Income
[All figures are estimates based on samples--data are in thousands]

| Number with Form W-2, type of return | Total | Numbers of returns by size of adjusted gross income | | | | | | | |
|---|--------|---|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|-------------------------|
| | | Under ¹ \$5,000 | \$5,000 under \$10,000 | \$10,000 under \$15,000 | \$15,000 under \$20,000 | \$20,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 or more |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| All returns, total..... | 92,611 | 15,102 | 14,402 | 12,816 | 10,532 | 16,303 | 17,053 | 5,444 | 959 |
| Number with Forms W-2, total..... | 78,768 | 11,948 | 11,270 | 10,589 | 9,111 | 14,656 | 15,673 | 4,721 | 799 |
| One..... | 39,312 | 6,789 | 6,453 | 6,508 | 5,409 | 7,226 | 5,212 | 1,342 | 373 |
| Two or more (separate earners)... | 21,981 | 482 | 712 | 1,298 | 1,922 | 5,397 | 8,959 | 2,895 | 315 |
| Two or more (same earners)..... | 17,474 | 4,677 | 4,105 | 2,783 | 1,779 | 2,033 | 1,501 | 485 | 111 |
| Number with no Forms W-2..... | 13,843 | 3,154 | 3,132 | 2,227 | 1,421 | 1,647 | 1,380 | 723 | 160 |
| Form 1040 returns, total..... | 57,862 | 5,016 | 5,912 | 6,176 | 6,313 | 12,100 | 15,942 | 5,444 | 959 |
| Number with Forms W-2, total..... | 45,272 | 2,447 | 3,203 | 4,121 | 4,941 | 10,479 | 14,561 | 4,721 | 799 |
| One..... | 19,829 | 1,426 | 1,969 | 2,400 | 2,655 | 5,031 | 4,633 | 1,342 | 373 |
| Two or more (separate earners)... | 18,068 | 275 | 320 | 688 | 1,157 | 3,938 | 8,480 | 2,895 | 315 |
| Two or more (same earners)..... | 7,376 | 746 | 914 | 1,034 | 1,128 | 1,510 | 1,449 | 485 | 111 |
| Number with no Forms W-2..... | 12,590 | 2,570 | 2,709 | 2,054 | 1,372 | 1,622 | 1,381 | 722 | 160 |
| Form 1040A returns, total..... | 18,422 | 3,429 | 4,216 | 3,769 | 2,710 | 3,227 | 1,072 | N/A | N/A |
| Number with Forms W-2, total..... | 17,643 | 3,094 | 3,990 | 3,610 | 2,661 | 3,216 | 1,072 | N/A | N/A |
| One..... | 9,812 | 1,791 | 2,308 | 2,269 | 1,502 | 1,403 | 539 | N/A | N/A |
| Two or more (separate earners)... | 3,880 | 207 | 376 | 594 | 765 | 1,459 | 480 | N/A | N/A |
| Two or more (same earners)..... | 3,951 | 1,096 | 1,307 | 747 | 394 | 354 | *54 | N/A | N/A |
| Number with no Forms W-2..... | 778 | 333 | 226 | 159 | *49 | *11 | - | N/A | N/A |
| Form 1040EZ returns, total.... | 16,327 | 6,657 | 4,273 | 2,872 | 1,509 | 976 | *40 | N/A | N/A |
| Number with Forms W-2, total..... | 15,852 | 6,407 | 4,076 | 2,858 | 1,509 | 961 | *40 | N/A | N/A |
| One..... | 9,671 | 3,571 | 2,176 | 1,840 | 1,252 | 792 | *40 | N/A | N/A |
| Two or more (same earners)..... | 6,180 | 2,835 | 1,900 | 1,018 | 258 | 169 | - | N/A | N/A |
| Number with no Form W-2..... | 475 | 250 | 197 | *14 | - | *14 | - | N/A | N/A |

N/A - Not applicable.

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

¹Includes returns with no adjusted gross income.

NOTES: For purposes of this table, even if each spouse on a joint return had two or more Forms W-2, the return was counted only in the statistics for "Two or more (separate earners)". Therefore, the statistics for "Two or more (same earners)" are understated for this reason.

Detail may not add to total because of rounding.

Table 13.--Joint Returns: Presence of W-2 Earnings Statement, by Type of Return and Size of W-2 Wages, Salaries and Tips Reported

[All figures are estimates based on samples--number of returns are in thousands]

| Number with Form W-2, type of return | Total | Number of returns by size of W-2 wages, salaries and tips | | | | | | | |
|---|--------|---|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|-------------------------|
| | | Under ¹ \$5,000 | \$5,000 under \$10,000 | \$10,000 under \$15,000 | \$15,000 under \$20,000 | \$20,000 under \$30,000 | \$30,000 under \$50,000 | \$50,000 under \$100,000 | \$100,000 or more |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| All joint returns, total..... | 45,899 | 9,186 | 2,818 | 3,091 | 3,873 | 9,137 | 12,493 | 4,494 | 807 |
| Number with Forms W-2, total..... | 39,282 | 3,057 | 2,624 | 2,986 | 3,802 | 9,112 | 12,427 | 4,479 | 796 |
| One..... | 13,272 | 1,896 | 1,514 | 1,411 | 1,387 | 2,983 | 2,997 | 817 | 268 |
| Two or more (separate earners)... | 21,735 | 582 | 709 | 1,104 | 1,870 | 5,165 | 8,617 | 3,271 | 416 |
| Two or more (same earners)..... | 4,258 | 577 | 401 | 471 | 530 | 963 | 813 | 391 | 111 |
| Number with no Forms W-2..... | 6,617 | 6,130 | 193 | 105 | *72 | *25 | *66 | *14 | *11 |
| Joint Form 1040 returns, total | 38,168 | 8,580 | 1,614 | 1,817 | 2,446 | 6,764 | 11,677 | 4,462 | 807 |
| Number with Forms W-2, total..... | 31,805 | 2,578 | 1,480 | 1,755 | 2,386 | 6,750 | 11,611 | 4,447 | 796 |
| One..... | 10,474 | 1,659 | 905 | 841 | 934 | 2,320 | 2,730 | 817 | 268 |
| Two or more (separate earners)... | 17,983 | 447 | 388 | 601 | 1,083 | 3,687 | 8,121 | 3,239 | 416 |
| Two or more (same earners)..... | 3,348 | 472 | 187 | 314 | 369 | 743 | 759 | 391 | 111 |
| Number with no Forms W-2..... | 6,364 | 6,002 | 134 | *62 | *60 | *14 | *66 | *14 | *11 |
| Joint Form 1040A returns, total | 7,731 | 607 | 1,203 | 1,274 | 1,427 | 2,372 | 816 | *32 | N/A |
| Number with Forms W-2, total..... | 7,478 | 478 | 1,144 | 1,231 | 1,416 | 2,361 | 816 | *32 | N/A |
| One..... | 2,799 | 237 | 609 | 570 | 453 | 664 | 267 | - | N/A |
| Two or more (separate earners)... | 3,753 | 136 | 321 | 503 | 787 | 1,478 | 495 | *32 | N/A |
| Two or more (same earners)..... | 911 | 105 | 214 | 157 | 160 | 220 | *54 | - | N/A |
| Number with no Forms W-2..... | 253 | 128 | *59 | *43 | *11 | *11 | - | - | N/A |

N/A - Not applicable.

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

¹Includes returns with no salaries and wages.

NOTES: See table 12, for an explanation of how multiple W-2's were counted for this table.

Detail may not add to total because of rounding.

Individual Income Tax Returns, 1984 Taxpayer Usage Study

Table 14.--Form 1040 and Form 1040A Returns: Number With Unemployment Compensation, by Type of Return
 [All figures are estimates based on samples--data are in thousands]

| Unemployment compensation | Total | Number of returns by marital status | | | | |
|--|--------|-------------------------------------|-------------------------------------|--|-------------------------------|------------------------------|
| | | Returns of single persons | Joint returns of husbands and wives | Separate returns of husbands and wives | Returns of heads of household | Returns of surviving spouses |
| | (1) | (2) | (3) | (4) | (5) | (6) |
| All Form 1040 and 1040A returns, total..... | 76,284 | 21,778 | 45,899 | 923 | 7,457 | 228 |
| Unemployment compensation, total..... | 7,243 | 1,796 | 4,674 | *92 | 668 | *13 |
| Taxable and nontaxable amounts reported..... | 3,990 | 721 | 2,977 | *28 | 250 | *13 |
| Only total of taxable and nontaxable amounts reported..... | 3,118 | 1,041 | 1,606 | *53 | 417 | - |
| Only taxable amount reported..... | 136 | *34 | *91 | *11 | - | - |
| Form 1040 returns, total..... | 57,862 | 15,591 | 38,168 | 426 | 3,448 | 228 |
| Unemployment compensation, total..... | 4,635 | 723 | 3,599 | *12 | 288 | *13 |
| Taxable and nontaxable amounts reported..... | 3,111 | 388 | 2,507 | *12 | 190 | *13 |
| Only total of taxable and nontaxable amounts reported..... | 1,479 | 335 | 1,047 | - | *97 | - |
| Only taxable amount reported..... | *45 | - | *45 | - | - | - |
| Form 1040A returns, total..... | 18,422 | 6,187 | 7,731 | 496 | 4,009 | N/A |
| Unemployment compensation, total..... | 2,608 | 1,073 | 1,075 | *80 | 380 | N/A |
| Taxable and nontaxable amounts reported..... | 879 | 333 | 470 | *16 | *60 | N/A |
| Only total of taxable and nontaxable amounts reported..... | 1,639 | 706 | 559 | *53 | 320 | N/A |
| Only taxable amount reported..... | *91 | *34 | *46 | *11 | - | N/A |

N/A - Not applicable.

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

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

Table 15.--All Returns: Use of Official IRS Preaddressed Mailing Label or Envelope, by Type of Return and Paid Preparer Status

[All figures are estimates based on samples--data are in thousands]

| Use of IRS mailing label, official envelope | Total | Number of returns indicating use of paid preparer | | | |
|---|--------|---|-----------|------------|-------------|
| | | Total | Form 1040 | Form 1040A | Form 1040EZ |
| | (1) | (2) | (3) | (4) | (5) |
| All returns..... | 92,611 | 41,460 | 36,585 | 4,114 | 760 |
| Returns with— | | | | | |
| Official preaddressed mailing label used..... | 55,280 | 22,246 | 20,166 | 1,797 | 283 |
| Official envelope used..... | 65,272 | 23,150 | 20,202 | 2,620 | 328 |
| Form 1040..... | 57,862 | n.a. | n.a. | n.a. | n.a. |
| Returns with— | | | | | |
| Official preaddressed mailing label used..... | 35,444 | n.a. | n.a. | n.a. | n.a. |
| Official envelope used..... | 38,546 | n/a. | n.a. | n.a. | n.a. |
| Form 1040A..... | 18,422 | n.a. | n.a. | n.a. | n.a. |
| Returns with— | | | | | |
| Official preaddressed mailing label used..... | 10,363 | n.a. | n.a. | n.a. | n.a. |
| Official envelope used..... | 14,619 | n.a. | n.a. | n.a. | n.a. |
| Form 1040EZ..... | 16,327 | n.a. | n.a. | n.a. | n.a. |
| Returns with— | | | | | |
| Official preaddressed mailing label used..... | 9,473 | n.a. | n.a. | n.a. | n.a. |
| Official envelope used..... | 12,106 | n.a. | n.a. | n.a. | n.a. |

n.a. - not available.