

Individual Income Tax Returns for 1987: Selected Characteristics from the Taxpayer Usage Study

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The 1987 Taxpayer Usage Study (TPUS) provides the first data on the effects of the Tax Reform Act of 1986. TPUS tabulations show that the average tax decreased from \$3,267 for 1986 to \$3,190 for 1987. Tax as a percentage of adjusted gross income (AGI) fell from 13.7 percent for Tax Year 1986 to 12.7 percent for Tax Year 1987, the most dramatic decline occurring in the \$100,000 and over AGI class (see Figure A). This decline was due almost entirely to the broadened definition of AGI contained in the 1986 act. The only income class which experienced an increase in the effective tax rate (total income tax as a percentage of AGI) was the \$1 under \$5,000 AGI class. The increase in this class was largely attributable to the increase in the number of taxpayer dependents filing their own tax returns for the first time as a result of new filing requirements under the Tax Reform Act [1].

Traditionally, statistics on individual income tax returns are presented by size of AGI. However, it should be noted that AGI is an imperfect tool for comparing data for Tax Years 1986 and 1987, since it underwent a substantial redefinition under the new law. Under the Tax Reform Act, many statutory adjustment items, including employee business expenses and contributions to individual retirement arrangements (IRA's), were limited or repealed. Therefore, when the effective tax rates are recomputed using total income (defined as the sum of all of the sources of income

before the subtraction of these adjustments), tax as a percentage of total income dropped less dramatically than tax as a percentage of AGI—from 13.2 percent for Tax Year 1986 to 12.6 percent for Tax Year 1987 (see Figure B).

However, the total income concept is not immutable, either; it, too, was altered as a result of the same act. For instance, for 1986, taxpayers enjoyed three income exclusions: the exclusion of the first \$100 of dividend income (\$200 for married couples filing a joint return); the 60 percent exclusion of long-term capital gains in excess of short-term capital losses; and the exclusion of unemployment compensation for most taxpayers with total incomes under \$12,000 (\$18,000 if married filing jointly). These income exclusions were eliminated for 1987. In addition, depreciation schedules for many types of businesses were changed, and taxpayers were no longer allowed to offset "earned income" with "passive losses" [2].

It is not feasible to recompute depreciation or passive loss deductions from the 1986 data. However, Figure C shows the effects of adding back excluded amounts of dividend, capital gain, and unemployment compensation income to total income for 1986. When this is done, the effective tax rate actually increased slightly, from 12.5 percent for 1986 to 12.6 percent for 1987. When the data are viewed by income class, there is still a moderate

Figure A.—All Returns: Adjusted Gross Income and Total Income Tax, by Size of Adjusted Gross Income, Tax Years 1986 and 1987

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars]

Tax year, income and tax items	Total	Number of returns or amounts by size of adjusted gross income								
		Less than \$1	\$1 under \$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)	(10)
Tax Year 1987:										
All returns, total.....	98,569	606	14,834	14,953	12,829	10,737	15,807	17,948	9,398	1,457
Amount of adjusted gross income..	\$2,474,879	\$ - 15,807	\$37,939	\$111,865	\$159,296	\$186,876	\$391,848	\$693,939	\$607,511	\$301,412
Amount of total income tax ¹	314,410	*59	731	3,853	9,078	14,483	37,310	76,805	93,485	78,605
Tax as a percentage of adjusted gross income.....	12.7%	N/A	1.9%	3.4%	5.7%	7.7%	9.5%	11.1%	15.4%	26.1%
Tax Year 1986²:										
All returns, total.....	96,737	814	14,523	15,062	12,943	10,418	16,119	17,934	7,625	1,299
Amount of adjusted gross income..	\$2,305,401	\$ - 15,502	\$38,221	\$111,969	\$161,076	\$181,744	\$398,006	\$691,731	\$484,730	\$253,426
Amount of total income tax ¹	316,034	*131	403	4,353	10,774	15,558	40,680	86,454	80,205	77,476
Tax as a percentage of adjusted gross income.....	13.7%	N/A	1.1%	3.9%	6.7%	8.6%	10.2%	12.5%	16.5%	30.6%

¹ Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit.

² Data for Tax Year 1986 are revised estimates.

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

N/A Not applicable.

NOTE: Detail may not add to totals because of rounding. All data are based on returns filed through April.

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Figure B.—All Returns: Total Income and Total Income Tax, by Size of Total Income, Tax Years 1986 and 1987

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars]

Tax year, income and tax items	Total	Number of returns or amounts by size of adjusted gross income								
		Less than \$1	\$1 under \$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)	(10)
Tax Year 1987:										
All returns, total	98,569	551	14,783	14,835	12,764	10,660	15,699	18,229	9,536	1,513
Amount of total income ¹	\$2,501,484	\$ - 15,629	\$37,847	\$110,774	\$158,443	\$185,394	\$389,283	\$705,746	\$618,217	\$311,409
Amount of total income tax ²	314,410	*1	592	3,784	8,901	14,243	36,477	77,094	93,851	79,467
Tax as a percentage of total income	12.6%	N/A	1.6%	3.4%	5.6%	7.7%	9.4%	10.9%	15.2%	25.5%
Tax Year 1986³:										
All returns, total	96,737	764	14,396	14,817	12,670	10,147	15,617	17,974	8,816	1,535
Amount of total income ¹	\$2,396,244	\$ - 15,365	\$37,778	\$110,096	\$157,333	\$176,774	\$385,385	\$694,569	\$562,928	\$286,745
Amount of total income tax ²	316,304	*368	368	4,114	10,295	14,729	38,017	81,441	85,002	81,970
Tax as a percentage of total income	13.2%	N/A	1.0%	3.7%	6.5%	8.3%	9.9%	11.7%	15.1%	28.6%

¹ Total income is computed as the sum of all the sources of income before subtracting statutory adjustments.² Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit.³ Data for Tax Year 1986 are revised estimates.

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

N/A—Not applicable

NOTE: Detail may not add to totals because of rounding. All data are based on returns filed through April.

increase in the effective tax rate for the \$1 under \$5,000 class; on the other hand, as a group, taxpayers with incomes \$50,000 and over saw an increase in their effective tax rates.

Due to the substantial changes in the tax laws under the Tax Reform Act, taxpayers were required to complete a new Form W-4 (Employee's Withholding Allowance Certificate) for Tax Year 1987; however, they were not required to file it until October 1, 1987. Thus, taxpayers may have claimed an incorrect number of withholding allowances for a large part of 1987. There was serious concern as to whether withholding would be as accurate as in prior years, or whether more taxpayers would be significantly under- or overwithheld. For 1986, 70.7 million taxpayers indicated that they should receive a refund, which averaged \$900. This compares with 1987 figures of 72.1 million and \$878 respectively. For 1986, the number of taxpayers with tax

due at time of filing was 19.4 million, and the average tax due was \$2,240. For 1987, the corresponding figures were 20.8 million taxpayers and \$2,012. In other words, the revised withholding system appears to have worked about as well as the old one did.

FILING PATTERNS

Data presented in this article are estimates based on random samples of returns filed by April 15 drawn in each of the 10 Internal Revenue service centers. As is shown in Figure D, returns filed by April 15 have, in recent years, represented between 92.7 and 94.6 percent of all returns filed during the processing year. Based on Internal Revenue Service (IRS) projections of the number of returns to be filed during Processing Year 1988, it appears that a somewhat smaller percentage (92.6) of all taxpayers filed returns by April 15 this year, possibly due to the additional time

Figure C.—All Returns: Total Income (1987 Definition) and Total Income Tax, by Size of Total Income, Tax Years 1986 and 1987

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars]

Tax year, income and tax items	Total	Number of returns or amounts by size of adjusted gross income								
		Less than \$1	\$1 under \$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)	(10)
Tax Year 1987:										
All returns, total	98,569	551	14,783	14,835	12,764	10,660	15,699	18,229	9,536	1,513
Amount of total income ¹	\$2,501,484	\$ - 15,629	\$37,847	\$110,774	\$158,443	\$185,394	\$389,283	\$705,746	\$618,217	\$311,409
Amount of total income tax ²	314,410	*1	592	3,784	8,901	14,243	36,477	77,094	93,851	79,467
Tax as a percentage of total income	12.6%	N/A	1.6%	3.4%	5.6%	7.7%	9.4%	10.9%	15.2%	25.5%
Tax Year 1986³:										
All returns, total	96,737	764	14,396	14,817	12,670	10,147	15,617	17,974	8,816	1,535
Amount of total income (1987 concept)	\$2,522,389	\$ - 13,090	\$39,682	\$113,646	\$160,917	\$180,099	\$391,186	\$706,243	\$584,220	\$359,490
Amount of total income tax ²	316,304	*368	368	4,114	10,295	14,729	38,017	81,441	85,002	81,970
Tax as a percentage of total income	12.5%	N/A	0.9%	3.6%	6.4%	8.2%	9.7%	11.5%	14.5%	22.8%

¹ For 1986, total income was recomputed by adding excluded capital gain, dividends, and unemployment compensation to total income as shown on the return. However, total income as shown on the return was still used as the classifier.² Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit.³ Data for Tax Year 1986 are revised estimates.

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

N/A Not applicable

NOTE: Detail may not add to total because of rounding. All data are based on returns filed through April.

Figure D.—Number of Returns Filed, Tax Years 1982–1987

[Number of returns in thousands]

Returns filed	Tax Year					
	1982	1983	1984	1985	1986	1987
	(1)	(2)	(3)	(4)	(5)	(6)
Returns filed through April of the filing year	89,964	90,407	92,611	95,307	96,737	98,569
Returns filed through December of the filing year	95,609	95,564	99,579	102,800	103,424	106,469 ¹
Returns filed through April as a percentage of returns filed through December	94.1%	94.6%	93.0%	92.7%	93.5%	92.6% ²

¹ The figure for Tax Year 1987 is a projected total by the IRS Research Division of Forms 1040, 1040A, and 1040EZ.² Estimated on the basis of projections for Tax Year 1987.

required by taxpayers and tax preparers to adjust to the new provisions contained in the 1986 Act [3]. Prior experience suggests that the late-filed returns will, on the average, have significantly more income and be much more complex than the returns filed by April 15 tabulated for this article [4].

CHARACTERISTICS OF RETURNS

As shown in Figure E, the percentage of taxpayers using Form 1040 for 1987 declined slightly to 64.4 percent of all returns from 64.7 percent for 1986, even though the number of Forms 1040 filed increased by 0.9 million. This was the first decline in Form 1040 usage as a percentage of all returns filed since 1981. The decline was due largely to an 8.0 percent increase in the number of Forms 1040EZ filed. Much of the increase in the number of Forms 1040EZ can be attributed to dependents who were required to file for the first time as a result of the Tax Reform Act. The number of Forms 1040A filed declined by 2.2 percent and accounted for only 17.4 percent of all returns filed. This decline continues a trend begun for 1982 with the introduction of Form 1040EZ. Given that most of the dependents who filed for the first time used Form 1040EZ and that the number of Forms 1040A filed declined again, it can be concluded that, for 1987, taxpayers continued to shift to the more complex Form 1040 and away from the simpler Forms 1040A and 1040EZ.

Figure E.—Number of Returns Filed, by Form Used, Tax Years 1983–1987

[Number of returns in thousands]

Form used	Tax year				
	1983	1984	1985	1986	1987
	(1)	(2)	(3)	(4)	(5)
All returns.....	90,407	92,611	95,307	96,737	98,569
Long form, 1040	55,853	57,862	60,677	62,619	63,521
Short forms, total.....	34,556	34,749	34,629	34,118	35,048
1040A	19,094	18,422	17,926	17,495	17,104
1040EZ	15,462	16,327	16,703	16,623	17,944
	Percentage of returns				
All returns.....	100.0%	100.0%	100.0%	100.0%	100.0%
Long form, 1040	61.8	62.5	63.7	64.7	64.4
Short forms, total.....	38.2	37.5	36.3	35.3	35.6
1040A	21.1	19.9	18.8	18.1	17.4
1040EZ	17.1	17.6	17.5	17.2	18.2

NOTE: All data are based on returns filed through April.

The number of joint returns filed decreased for 1987 by 1.9 percent (see Table 1). In part, this decline is a continuation of a trend noted for the previous 2 years. However, for Tax Year 1987, part of the decline in joint returns may be attributed to an increase of 637,000 returns (or 77.0 percent) in the number of married taxpayers filing separate returns. This surge may be related to those new provisions which limit deductible medical and dental expenses to the amounts that exceed 7.5 percent of AGI (up from 5 percent for 1986), and which instituted a floor on deductible business expenses equal to 2 percent of AGI. These provisions made it advantageous for a taxpayer eligible for one of these deductions to file separately, thus reducing the amount of AGI used in computing the allowable deductions. The Tax Reform Act also abolished the two-earner deduction, which provided an additional incentive for married couples to file joint returns.

TWO-EARNER COUPLES

For 1987, there was also a decline in the number of returns filed by two-earner couples, as evidenced by the presence of at least one Form W-2 (Wage and Tax Statement) attached for each taxpayer, from 22.9 million for Tax Year 1986 to 22.6 million for Tax Year 1987 (see Table 8 for the 1987 data). This decline can be attributed directly to the increase in the number of separate returns filed by married couples noted above. On the assumption that most of the 637,000 increase in separate returns was attributable to two-earner couples, the overall number of such couples (whether filing jointly or separately) was more or less unchanged between 1986 and 1987 [5]. Since it appears that there will be more late filers for 1987, it remains to be seen whether rate of increase in two-earner couples has actually declined for 1987.

ADJUSTED GROSS INCOME

As is shown in Figure F, AGI increased by \$169 billion, or 7.6 percent. The source of income showing the largest increase was salaries and wages, which went up by \$78.5 billion (4.1 percent). The largest decrease occurred in the area of sales of capital assets (net gain less loss), which

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decreased by \$124.3 billion (62.7 percent). However, because of the abolition of the capital gains exclusion, net capital gains less losses in AGI decreased by only \$6.6 billion (8.2 percent).

Several developments contributed to the decrease in net capital gains less losses. Most importantly, it should be noted that the amount of capital gains realized in 1986 represented a 94.6 percent increase over the comparable figure for 1985—due in part to favorable developments in the stock market, but largely to sales of capital assets made in 1986 in anticipation of the elimination of the capital gains exclusion for 1987. In addition, the 1987 decline in the stock market may have caused a larger than usual number of taxpayers to realize losses. Finally, it should be noted that returns with substantial amounts of capital gains and losses tend to arrive well after the April filing deadline. Given the projected increase in late filers for 1987, it may be too early to draw any major conclusions about sales of capital assets.

Unemployment Compensation

For Tax Year 1986, unemployment compensation was partially taxable, with the amount taxed depending on the taxpayer's filing status and AGI [6]. For 1986, about 7.4

million returns showed unemployment compensation as a source of income, but only 4.7 million of them showed amounts subject to tax (see Figure G). Under the Tax Reform Act of 1986, unemployment compensation became fully taxable as an ordinary source of income beginning with Tax Year 1987. A total of 7.0 million returns showed this source of income for 1987. There was a net increase of 2.3 million in the number of returns with unemployment compensation subject to tax for 1987; returns with adjusted gross incomes under \$15,000 alone accounted for an increase of 2.1 million (see Figure G).

Individual Retirement Arrangements

The Tax Reform Act of 1986 placed substantial limitations on the amount taxpayers could deduct from total income for contributions made to an IRA. For example, starting with Tax Year 1987, a single taxpayer who made \$35,000 or more and was covered by a private pension plan was no longer able to deduct any of the contribution he or she made to an IRA (although non-deductible contributions were still allowed). As a result, the number of taxpayers claiming an adjustment for an IRA declined dramatically, from 14.9 million for Tax Year 1986 to only 7.1 million for Tax Year 1987. Furthermore, the average IRA adjustment for

Figure F.—Selected Sources of Income, Statutory Adjustments, Tax Years 1986 and 1987

[Number of returns in thousands; amounts in millions of dollars]

Source of Income	Tax year		Difference	Percentage difference
	1987	1986		
	(1)	(2)	(3)	(4)
All returns.....	98,569	96,737	1,832	1.9%
Adjusted gross income.....	\$2,474,879	\$2,305,401	\$169,478	7.4
Salaries and wages:				
Number of returns.....	84,302	83,248	1,054	1.3
Amount.....	\$1,974,431	\$1,895,909	\$78,522	4.1
Taxable interest:				
Number of returns.....	62,390	60,978	1,412	2.3
Amount.....	\$136,302	\$150,660	\$ -14,358	-9.5
Dividends before exclusion:				
Number of returns.....	19,967	19,624	343	1.7
Amount.....	\$50,974	\$54,466	\$ -3,492	-6.4
Dividends included in AGI:				
Number of returns.....	19,967	14,963	5,004	33.4
Amount.....	\$50,974	\$47,259	\$3,715	7.9
Unemployment compensation, total:				
Number of returns.....	7,045	7,369	-324	-4.4
Amount.....	\$13,554	\$13,103	\$451	3.4
Unemployment compensation included in AGI:				
Number of returns.....	7,045	4,716	2,329	49.4
Amount.....	\$13,554	\$8,306	\$5,248	63.2
Social security benefits, total:				
Number of returns.....	9,014	8,113	901	11.1
Amount.....	\$74,235	\$64,715	\$9,520	14.7
Social security benefits included in AGI:				
Number of returns.....	3,283	3,093	190	6.1
Amount.....	\$11,704	\$11,148	\$556	5.0
Sales of capital assets, net gain less loss, total:				
Number of returns.....	13,148	12,898	250	1.9
Amount.....	\$73,892	\$198,143	\$ -124,251	-62.7
Sales of capital assets, net gain less loss included in AGI:				
Number of returns.....	13,148	12,898	250	1.9
Amount.....	\$73,892	\$80,501	\$6,609	-8.2
Total statutory adjustments:				
Number of returns.....	10,296	35,922	-25,626	-71.3
Amount.....	\$25,610	\$92,057	\$ -66,447	-72.2

NOTE: All data are based on returns filed through April.

Figure G.—Returns With Unemployment Compensation, by Size of Adjusted Gross Income, Tax Years 1986 and 1987

[Number of returns in thousands, amounts in millions of dollars]

Size of adjusted gross income	Tax Year 1987			Tax Year 1986			Percentage change		
	Number of returns	Taxable benefits		Number of returns	Taxable benefits		Number of returns	Taxable benefits	
		Number of returns	Amount		Number of returns	Amount		Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns, total	7,045	7,045	\$13,554	7,369	4,716	\$8,306	- 4.4%	49.4%	63.1%
No adjusted gross income	*29	*29	*51	*65	*9	(¹)	-55.4	222.2	(²)
\$1 under \$5,000	301	301	351	552	*52	100	-45.5	478.9	251.0
\$5,000 under \$10,000	1,184	1,184	1,909	1,261	130	298	- 6.1	810.8	540.6
\$10,000 under \$15,000	1,118	1,118	2,080	976	376	338	14.6	197.3	515.4
\$15,000 under \$20,000	817	817	1,518	897	656	1,091	- 8.9	24.5	39.1
\$20,000 under \$25,000	853	853	1,702	874	874	1,638	- 2.4	- 2.4	3.9
\$25,000 under \$30,000	706	706	1,300	732	732	1,563	- 3.6	- 3.6	- 16.8
\$30,000 under \$50,000	1,671	1,671	4,137	1,547	1,574	2,711	8.0	6.2	52.6
\$50,000 under \$75,000	290	290	410	299	299	477	- 3.0	- 3.0	- 14.0
\$75,000 under \$100,000	*68	*68	*88	*23	*23	*75	195.7	195.7	17.3
\$100,000 or more	*8	*8	*8	*18	*18	*39	-55.5	-55.5	-79.5

¹ Less than \$500,000.² Not computed.

*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. All data are based on returns filed through April.

returns with an IRA adjustment fell from \$2,422 per return for 1986 to \$1,910 per return for 1987

ITEMIZED DEDUCTIONS

The percentage of Forms 1040 showing itemized deductions declined sharply to 50.7 percent from 59.3 percent for 1986 (see Figure H). This was primarily the result of the Tax Reform Act, which eliminated certain deductions, such as for the general sales tax, and limited others, such as miscellaneous deductions to 2 percent of AGI and personal interest to 65 percent of the amount paid. In addition, under provisions of the Act, taxpayers who were age 65 or over or blind received a larger standard deduction than the rest of the population. This provision would have made it advantageous for many taxpayers in such groups to claim the standard deduction instead of itemizing deductions.

OFFICIAL LABEL AND ENVELOPE USAGE

For Tax Year 1987, 54.6 percent of all taxpayers used the IRS-provided name and address label, up slightly from 54.4 percent for Tax Year 1986 (see Figure I). This increase occurred in spite of a 505,000 increase in "electronically-filed" returns, which, by definition, did not have an IRS label attached to them. (Electronic returns are discussed below). Therefore, the relevant statistic is the percentage of non-electronic returns filed using the IRS label. This percentage

was 54.9 percent for Tax Year 1987 and 54.5 percent for Tax Year 1986. Of the 53,848,000 labels used, 93.3 percent were unaltered. Only 38.8 percent of returns filed by dependents had an IRS label attached. The lower label usage rate for dependents was caused by the large number of taxpayer dependents filing for the first time as a result of the Tax Reform Act of 1986. IRS labels are not available to first-time filers.

When the official label is used, the IRS transcription operator need not enter the taxpayer's name or address, provided no changes were made to the label, since the information is already on file. Thus, taxpayers who use their official labels help the IRS decrease its processing costs. As a result, IRS may be able to mail the taxpayer his or her return refund earlier.

Figure I.—All Returns: Number With Selected Characteristics, Tax Years 1985-1987

[Number of returns in thousands]

Item	Tax Year		
	1985	1986	1987
	(1)	(2)	(3)
All returns, total	95,307	96,737	98,569
Form 1040	60,677	62,619	63,521
Form 1040A	17,926	17,495	17,104
Form 1040EZ	16,703	16,623	17,944
Returns with paid-preparer signature, total	43,030	44,082	46,635
Form 1040	37,878	39,687	41,595
Form 1040A	4,409	3,794	4,199
Form 1040EZ	744	601	841
Returns with official IRS label, total	52,494	52,651	53,848
Form 1040	34,652	35,140	36,016
Form 1040A	9,240	8,891	8,998
Form 1040EZ	8,602	8,619	8,834
Returns with official bar-coded envelope, total	58,806	54,521	64,317
Form 1040	34,578	31,403	39,992
Form 1040A	12,559	11,844	12,126
Form 1040EZ	11,670	11,275	12,199

NOTE: All data are based on returns filed through April.

Figure H.—Percentage of Returns With Itemized Deductions, Tax Years 1979-1987

Tax year	All returns	Form 1040 returns
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
1985	37.8	59.4
1986	38.4	59.3
1987	32.6	50.7

NOTE: All data are based on returns filed through April.

Official bar-coded envelope usage increased sharply for 1987 to 65.3 percent, from 56.4 percent for Tax Year 1986 (see Figure I). If electronically filed returns (which, by definition, cannot arrive in envelopes) are excluded from the comparison, the rate was slightly higher, at 65.6 percent for 1987, compared with 56.4 percent for 1986. This increase reverses a 4-year downward trend in envelope usage. However, official IRS envelope use is still below the 1982 high of 77.2 percent. Interestingly, 51.9 percent of returns filed by dependents were enclosed in an IRS envelope.

Use of the official envelope speeds the sorting of returns en route to and after receipt by the IRS service centers. The bar codes on the envelopes, representing ZIP Codes and IRS information, allow the Postal Service and the IRS to machine-sort the envelopes, which is faster and less costly than manual mail-sorting procedures.

PAID PREPARERS

For Tax Year 1987, the use of paid tax-return preparers increased by 1.7 percentage points, from 45.6 for 1986 to 47.3 for 1987 (see Figure I). This increase was less than increases experienced after other recent tax law changes. For example, use of tax preparers increased by 3.6 percentage points for 1984, and by 2.8 percentage points for 1982. There was an increase in paid-preparer use for all three tax form types for 1987, the most dramatic occurring for Forms 1040A, which increased to 24.6 percent of the total, up from 21.7 percent for 1986.

ELECTRONICALLY-FILED RETURNS

For Tax Year 1987, the IRS further expanded its program of electronic filing of tax returns, a program that was begun with Tax Year 1985. Refund returns from 16 selected IRS districts could be transmitted electronically by participating commercial tax-return preparers to two IRS service centers for processing. In total, 573,000 such returns were accepted by the IRS, as compared with 78,000 for 1986. Electronically-filed returns were limited to Forms 1040 filed by April 15, with only certain schedules attached.

SUMMARY

The Tax Reform Act of 1986 resulted in major changes in income and tax distributions from 1986 to 1987. Some of these changes are, however, more apparent than real. For example, adjusted gross income, which increased by 7.6 percent between 1986 and 1987, did so largely as a result of the disallowance of a number of exclusions and adjustments under the Tax Reform Act. When a more consistent measure of income is used—for example, total income plus excluded capital gains, dividends, and unemployment compensation—the data show a 0.8 percent decrease between the 2 years. However, even this statistic must be

interpreted cautiously, since the decline is, to a large extent, a reflection of the extraordinary activity in the capital gains area in 1986, much of which was undertaken in anticipation of higher effective tax rates on capital gains in 1987.

In spite of these and other cautionary notes given throughout the article, it is possible to draw some broad conclusions from the data about the real effects of the Tax Reform Act of 1987. Particularly notable are the increase in the effective tax rate for taxpayers with total incomes of \$50,000 or more, as well as those with incomes under \$5,000 (see Figure J). The latter increase reflects the many dependents who had to file their own returns, on which they could claim no exemptions and only a limited standard deduction.

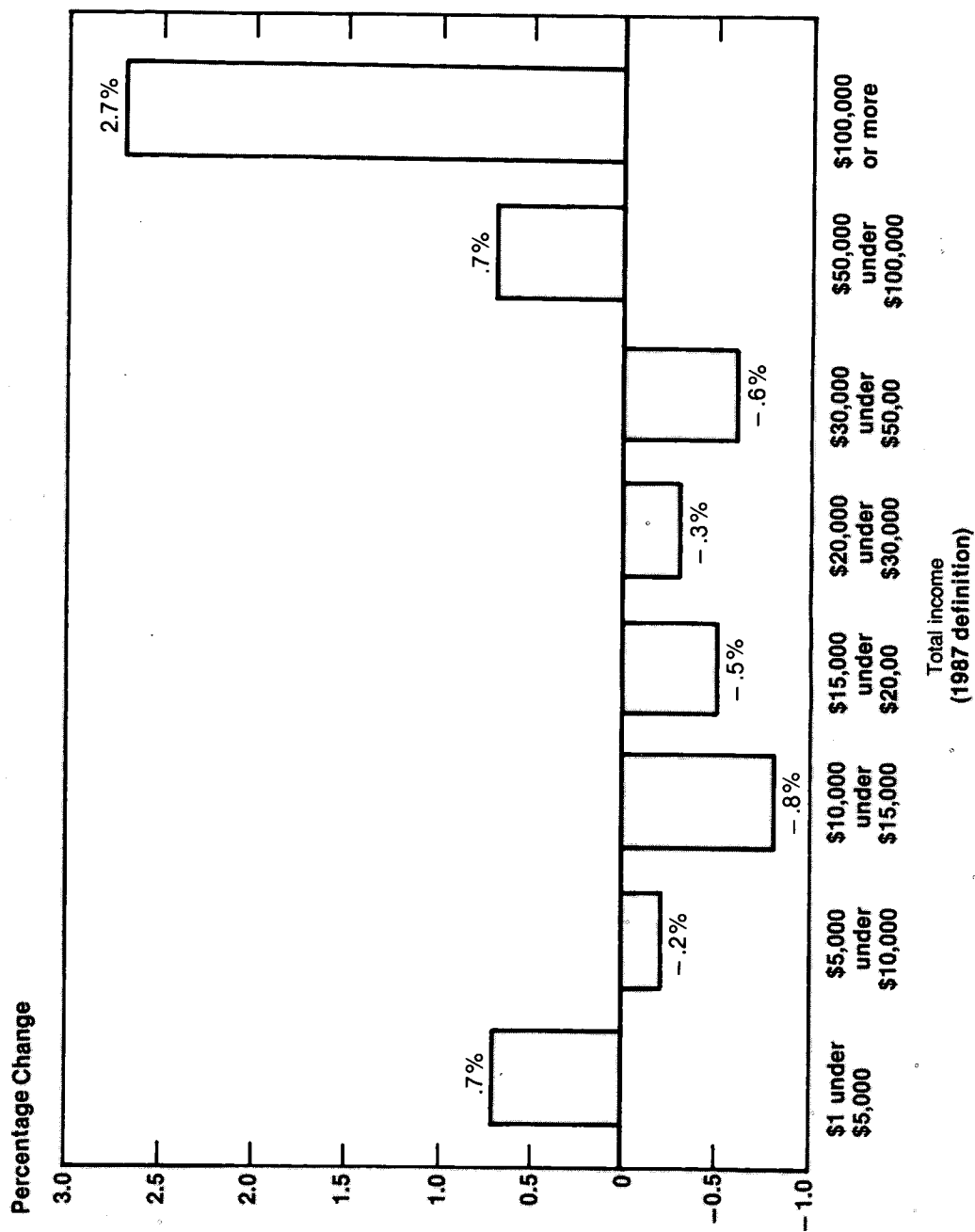
DATA SOURCES AND LIMITATIONS

Data for the Taxpayer Usage Study (TPUS) were derived from a continual daily random sampling of returns as they were received in the 10 IRS service center mailrooms from January 2 to April 29, 1988. Sampling was conducted for each service center at designated rates ranging from 1-in-1,200 to 1-in-2,300 for the period beginning January 2, 1988 through March 11, 1988, and at rates ranging from 1-in-5,100 to 1-in-6,900 for the period beginning March 12, 1988 through April 29, 1988. This yielded a sample of 20,073 returns for the first period and a sample of 9,318 returns for the second. In addition to the sample drawn from mailroom receipts, a separate sample was drawn for the electronically-transmitted returns. These returns were sampled at a rate of 1-in-1000, which yielded a sample of 516 returns.

The theoretical sampling rates were not used in weighting the file. Rather, a separate weight was computed for each type of return for each service center for each period by dividing the TPUS sample into each receipt count. The result was weights ranging from a low of 1,413.28 to a high of 3,818.44 for returns sampled from January 2 through March 11, 1988, and a low of 4,047.95 to a high of 10,894.74 for returns sampled from March 12 through April 29, 1988. The service center population and sample counts are presented by type of return form in Figure K.

Since the data presented in this article are estimates based on a sample, they are subject to sampling, as well as nonsampling, error. Nonsampling error may be higher for TPUS than for other Statistics of Income (SOI) data because the sampled returns had not yet been subjected to any of the regular IRS or SOI processing steps which would have corrected many taxpayer errors. However, the returns were subjected to an abbreviated form of SOI testing to identify and correct some of the more obvious taxpayer omissions (such as when the taxpayer failed to fill in an amount for total income, but carried the correct figure, less adjustments, forward to AGI).

Figure J
Change in Effective Tax Rates 1986-1987



Throughout this article, whenever 1987 data are compared to 1986 data, both are taken from the corresponding Taxpayer Usage Study. In other words, both represent returns received in the service centers through the end of April. In the case of capital gains, which were not included in the 1986 Taxpayer Usage Study, the estimate is based on returns received through the end of April contained in the 1986 SOI File.

Figure L provides a comparison of 1986 TPUS data and 1986 SOI data as a means of evaluating the representativeness of returns filed through April, as a percentage of returns filed through December. As with prior years, the TPUS data for 1987 are intended to provide early indica-

tions of trends in SOI data that will be published in more detail in the Winter 1988-1989 issue of the *Statistics of Income Bulletin* and later on in a separate SOI report on individual income tax returns.

If the statistical data provided are to be used properly, the magnitude of the sampling error must be known. Coefficients of variation, computed from the sample, are used to measure the magnitude of the sampling error. Figure M presents approximate coefficients of variation for frequency estimates. The coefficients of variation shown are intended only as a general indication of data reliability. For numbers of returns other than those shown, the corresponding coefficients of variation can be estimated by interpolation.

Individual Income Tax Returns, 1987 Taxpayer Usage Study

Figure K.—Population and Sample Counts by Service Center and Form Type, Tax Year 1987

[Population in thousands]

Service Center	Total		Form 1040		Form 1040A		Form 1040EZ	
	Population	Sample	Population	Sample	Population	Sample	Population	Sample
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
United States, total.....	98,569	29,905	63,521	17,630	17,104	5,893	17,944	6,382
Atlanta.....	10,992	3,517	6,461	1,850	2,423	896	2,108	771
Andover.....	10,168	3,114	6,705	1,867	1,372	458	2,091	789
Kansas City.....	10,031	3,310	6,734	2,117	1,526	509	1,771	684
Cincinnati ¹	10,732	3,349	7,173	2,172	1,623	525	1,936	652
Austin.....	10,339	3,088	6,155	1,652	2,278	812	1,906	624
Brookhaven.....	8,032	2,716	5,476	1,617	1,404	594	1,152	505
Philadelphia.....	8,170	2,920	5,282	1,658	1,349	618	1,539	644
Ogden.....	10,455	3,255	7,186	2,102	1,394	467	1,875	686
Memphis.....	10,034	2,144	6,020	1,185	2,068	465	1,946	494
Fresno.....	9,616	2,492	6,330	1,410	1,666	549	1,620	533

¹ Cincinnati and Ogden return and sample figures include electronically filed returns.**Figure L.—Comparison of Taxpayer Usage Study (TPUS) Data and Statistics of Income (SOI) Data, Tax Year 1986**

[Number of returns in thousands; amounts in millions of dollars]

Items	1986 TPUS	1986 SOI	Difference	Percentage difference
	(1)	(2)	(3)	(4)
All returns.....	96,737	103,057	6,320	6.1%
Adjusted gross income.....	\$2,300,896	\$2,484,989	\$184,093	7.4
Individual Retirement Arrangement adjustment:				
Number of returns.....	14,898	15,547	649	4.2
Amount.....	\$36,075	\$37,784	\$1,709	4.5
Itemized deductions:				
Number of returns.....	37,134	40,173	3,039	7.6
Amount.....	\$272,350	\$313,453	\$41,103	13.1
Total tax:				
Number of returns.....	79,154	87,243	8,089	9.3
Amount.....	\$325,415	\$382,043	\$56,628	14.8

NOTE: All data are based on returns filed through April.

Figure M.—Approximate Coefficients of Variation for Frequency Estimates, Tax Year 1987

Estimated number of returns	Approximate coefficient of variation		
	Form 1040	Form 1040A	Form 1040EZ
	(1)	(2)	(3)
50,000,000.....	.012	(1)	(1)
20,000,000.....	.018	(1)	(1)
15,000,000.....	.021	.021	.022
10,000,000.....	.026	.026	.027
5,000,000.....	.037	.036	.038
1,000,000.....	.082	.081	.085
500,000.....	.116	.115	.121
100,000.....	.259	.257	.270
75,000.....	.299	.277	.311

¹ Not applicable because the estimated number of returns was greater than the population estimate.**NOTES AND REFERENCES**

[1] Examination of Figure A shows only an increase of 311,000 returns in the \$1 under \$5,000 AGI class. However, since 1981 this class has experienced an average decline in the number of returns of 381,000 per year. Thus, this year's increase in the number of returns in this class represents a significant reversal of this trend.

[2] Passive losses are those resulting from the conduct of any trade or business in which the taxpayer does not materially participate.

[3] As of June 1, 1988, the IRS projected that 106.5 million individual income tax returns for Tax Year 1987 will be filed by the end of 1988. Because of year-to-year changes in the percentage of returns that are filed by April 15, it may be difficult to project total frequencies and amounts for the year from the data presented in this article. However, comparisons of ratios and averages from the 1986 and 1987 TPUS reports should hold up reasonably well when compared with final data for those 2 years.

[4] Taxpayers can legitimately file after April 15 if:

- they were out of the country on April 15;
- they filed a Form 4868 for an automatic extension of filing deadline, paying any balance due; or
- they filed a Form 2688 for additional extension of filing deadline.

[5] For purposes of computing includible unemployment compensation, married taxpayers filing jointly were allowed an \$18,000 exclusion and unmarried taxpayers were allowed a \$12,000 exclusion (married couples living together but not filing jointly did not qualify for an exclusion). Includible unemployment compensation was computed as one-half of the excess of income from all sources over the exclusion, up to the total amount of unemployment compensation.

[6] For 1986, unemployment compensation was nontaxable if the taxpayer's total income was less than \$12,000 for unmarried taxpayers, or less than \$18,000 for married taxpayers filing joint returns. For married persons filing separately, the income exclusion was

zero if they had lived together at any time during the year. One-half of the excess of total income over the income exclusion, up to the total amount of unemployment compensation, was subject to tax.

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

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

Type of return, marital status	Total	Number of returns by size of adjusted gross income							
		Under \$5,000 ¹	\$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.....	98,569	15,440	14,953	12,829	10,737	15,807	17,948	9,398	1,457
Returns of single persons.....	43,608	12,672	9,606	6,714	4,934	5,609	3,136	757	180
Joint returns of husbands and wives.....	43,794	1,464	2,897	3,936	3,935	8,273	13,633	8,402	1,255
Separate returns of husbands and wives.....	1,465	200	298	264	265	266	120	*48	*3
Returns of heads of households.....	9,611	1,087	2,130	1,907	1,595	1,650	1,035	189*19	
Returns of surviving spouses.....	91	*17	*22	*10	*8	*9	*24	*2	*0
Form 1040 returns, total.....	63,521	5,593	6,883	6,441	6,149	11,406	16,261	9,330	1,457
Returns of single persons.....	20,233	4,043	4,008	2,652	2,224	3,601	2,774	751	180
Joint returns of husbands and wives.....	37,373	1,105	2,072	2,894	2,904	6,372	12,427	8,343	1,255
Separate returns of husbands and wives.....	968	93	132	161	184	233	113	*48	*3
Returns of heads of households.....	4,856	335	649	723	829	1,191	923	186	*19
Returns of surviving spouses.....	91	*17	*22	*10	*8	*9	*24	*2	—
Form 1040A returns, total.....	17,104	2,988	3,640	3,333	2,568	3,028	1,479	*68	N/A
Returns of single persons.....	5,430	1,770	1,168	1,006	691	635	155	*7	N/A
Joint returns of husbands and wives.....	6,421	359	824	1,042	1,030	1,901	1,207	*59	N/A
Separate returns of husbands and wives.....	497	108	167	102	81	*33	*6	—	N/A
Returns of heads of households.....	4,755	752	1,481	1,183	766	459	112	*2	N/A
Form 1040EZ returns, total ²	17,944	6,859	4,430	3,056	2,019	1,373	208	—	N/A
Returns of single persons.....	17,944	6,859	4,430	3,056	2,019	1,373	208	—	N/A

¹ Includes returns with no adjusted gross income and negative adjusted gross income.

² Form 1040EZ returns could be filed by single persons only.

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

N/A—Not applicable.

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

Individual Income Tax Returns, 1987 Taxpayer Usage Study

Table 2.—All Returns: Number With and Without Total Income Tax, by Type of Return and Size of Adjusted Gross Income

[All figures are estimates based on samples—numbers of returns are in thousands.]

Type of return, total income tax ¹	Total	Number of returns by size of adjusted gross income								
		No adjusted gross income ²	\$1 under \$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)	(10)
All returns, total.....	98,569	606	14,834	14,953	12,829	10,737	15,807	17,948	9,398	1,457
Number with total income tax.....	80,844	*26	5,571	9,789	10,907	10,315	15,616	17,822	9,340	1,457
Number with no total income tax.....	17,726	579	9,263	5,164	1,922	421	192	126	*58	—
Form 1040 returns, total.....	63,521	543	5,050	6,883	6,441	6,149	11,406	16,261	9,330	1,457
Number with total income tax.....	55,155	*24	1,793	3,990	5,371	5,844	11,233	16,157	9,286	1,457
Number with no total income tax.....	8,366	519	3,257	2,894	1,070	305	174	104	*44	—
Form 1040A returns, total.....	17,104	*37	2,951	3,640	3,333	2,568	3,028	1,479	*68	N/A
Number with total income tax.....	11,776	*2	925	1,388	2,486	2,455	3,009	1,457	*54	N/A
Number with no total income tax.....	5,328	*35	2,026	2,251	847	114	*18	*23	*14	N/A
Form 1040EZ returns, total.....	17,944	*25	6,833	4,430	3,056	2,019	1,373	208	—	N/A
Number with total income tax.....	13,913	—	2,853	4,411	3,051	2,017	1,373	208	—	N/A
Number with no total income tax.....	4,032	*25	3,980	*19	*5	*2	—	—	—	N/A

¹ Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit.² Includes returns with negative adjusted gross income.

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

N/A—Not applicable.

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

Table 3.—All Returns: Number With and Without Total Income Tax, by Type of Return and Size of Total Income

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars]

Type of return, total tax ¹	Total	Number of returns by size of total income								
		No total income ²	\$1 under \$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)	(10)
All returns, total.....	98,569	551	14,783	14,835	12,764	10,660	15,699	18,229	9,536	1,513
Number with total income tax.....	80,844	*8	5,523	9,678	10,810	10,242	15,497	18,094	9,478	1,513
Number with no total income tax.....	17,726	543	9,260	5,157	1,954	418	201	135*58	—	—
Form 1040 returns, total.....	63,521	497	4,996	6,775	6,401	6,072	11,290	16,511	9,466	1,513
Number with total income tax.....	55,155	*8	1,746	3,891	5,299	5,771	11,107	16,399	9,422	1,513
Number with no total income tax.....	8,366	489	3,250	2,885	1,102	301	183	112*44	—	—
Form 1040A returns, total.....	17,104	*29	2,953	3,630	3,307	2,569	3,035	1,510	*70	N/A
Number with total income tax.....	11,776	—	923	1,377	2,460	2,455	3,017	1,488	*56	N/A
Number with no total income tax.....	5,328	*29	2,030	2,253	847	114	*18	*23	*14	N/A
Form 1040EZ returns, total.....	17,944	*25	6,833	4,430	3,056	2,019	1,373	208	—	N/A
Number with total income tax.....	13,913	—	2,853	4,411	3,051	2,017	1,373	208	—	N/A
Number with no total income tax.....	4,032	*25	3,980	*19	*5	*2	—	—	—	N/A

¹ Total income tax is computed as the sum of income tax after credits and alternative minimum tax, less earned income credit.² Includes returns with negative total income.

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

N/A—Not applicable.

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

Table 4.—All Returns: Adjusted Gross Income, Selected Sources of Income and Statutory Adjustments by Size of Adjusted Gross Income

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars.]

Size of adjusted gross income	Adjusted gross income		Salaries and wages		Dividends		Taxable interest	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total.....	98,569	2,474,879	84,302	1,974,431	19,967	50,974	62,384	136,302
No adjusted gross income ¹	606	- 15,807	218	2,497	99	42	320	552
\$1 under \$5,000.....	14,834	37,939	11,963	31,462	1,182	971	6,135	4,600
\$5,000 under \$10,000.....	14,953	111,865	11,608	80,532	1,683	2,335	7,057	12,619
\$10,000 under \$15,000.....	12,829	159,296	10,513	121,688	1,701	2,427	6,634	13,553
\$15,000 under \$20,000.....	10,737	186,876	9,287	151,685	1,436	2,906	6,090	12,084
\$20,000 under \$25,000.....	8,435	189,164	7,467	155,369	1,477	3,015	5,650	10,368
\$25,000 under \$30,000.....	7,373	202,684	6,707	169,912	1,567	3,390	5,361	9,998
\$30,000 under \$50,000.....	17,948	693,939	16,639	599,838	5,228	8,727	14,894	27,328
\$50,000 under \$75,000.....	7,514	448,351	6,995	369,114	3,362	9,730	6,975	19,702
\$75,000 under \$100,000.....	1,884	159,160	1,715	123,863	1,093	4,244	1,849	7,888
\$100,000 or more.....	1,457	301,412	1,191	168,473	1,139	13,187	1,419	17,609

Size of adjusted gross income	Tax-exempt interest		Unemployment compensation		Returns with taxable social security benefits		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Total benefits	Taxable benefits
	(9)	(10)	(11)	(12)	(13)	(14)	(15)
All returns, total.....	2,888	23,149	7,045	13,554	3,283	28,742	11,704
No adjusted gross income ¹	*10	*57	*29	*51	—	—	—
\$1 under \$5,000.....	94	717	301	351	*36	249	103
\$5,000 under \$10,000.....	142	549	1,184	1,909	*10	40	*25
\$10,000 under \$15,000.....	131	259	1,118	2,080	*10	80	*58
\$15,000 under \$20,000.....	151	321	817	1,518	*46	385	173
\$20,000 under \$25,000.....	134	795	853	1,702	173	1,431	205
\$25,000 under \$30,000.....	211	1,476	706	1,300	484	4,219	910
\$30,000 under \$50,000.....	624	2,633	1,671	4,137	1,419	11,631	4,448
\$50,000 under \$75,000.....	632	5,857	290	410	685	6,307	3,581
\$75,000 under \$100,000.....	316	2,496	*68	88	170	1,593	796
\$100,000 or more.....	444	7,990	*8	*8	251	2,808	1,404

Size of adjusted gross income	Capital gain		Capital loss		Statutory adjustments		Reimbursed employee business expenses	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)
All returns, total.....	10,253	80,161	2,892	6,269	10,296	25,610	1,180	3,075
No adjusted gross income ¹	*66	*277	*48	*114	82	677	*5	*44
\$1 under \$5,000.....	601	844	134	246	225	280	*6	*3
\$5,000 under \$10,000.....	736	1,064	190	388	486	581	*29	*39
\$10,000 under \$15,000.....	754	1,445	227	385	792	1,255	*60	*111
\$15,000 under \$20,000.....	650	1,160	254	400	846	1,608	*71	*193
\$20,000 under \$25,000.....	839	2,510	203	361	1,189	2,031	111	182
\$25,000 under \$30,000.....	813	2,592	209	361	1,267	2,300	100	183
\$30,000 under \$50,000.....	2,542	9,340	714	1,705	3,365	8,043	370	991
\$50,000 under \$75,000.....	1,811	13,212	483	995	1,229	3,795	282	853
\$75,000 under \$100,000.....	655	8,374	206	366	424	1,837	103	377
\$100,000 or more.....	787	39,343	224	949	393	3,204	*42	*99

Size of adjusted gross income	IRA payments ²		Self-employed health insurance deduction		Keogh retirement plan and self-employed (SEP) deduction		Returns with alimony paid	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)
All returns, total.....	7,087	13,539	1,090	455	566	4,954	544	1,000
No adjusted gross income ¹	*25	*50	*12	*3	—	—	—	*2
\$1 under \$5,000.....	120	171	*52	*18	—	—	—	*4
\$5,000 under \$10,000.....	268	417	84	26	*5	*26	*21	*21
\$10,000 under \$15,000.....	536	850	139	41	*36	*56	*42	*42
\$15,000 under \$20,000.....	635	1,141	89	35	*24	*43	*50	*50
\$20,000 under \$25,000.....	908	1,650	110	43	*27	*36	*45	*45
\$25,000 under \$30,000.....	997	1,812	97	34	*8	*42	*60	*60
\$30,000 under \$50,000.....	2,675	4,844	201	102	82	1,506	127	127
\$50,000 under \$75,000.....	571	1,489	190	96	171	709	107	107
\$75,000 under \$100,000.....	174	524	*46	*16	90	633	*39	*39
\$100,000 or more.....	177	592	*71	*41	123	1,904	*47	*47

¹ Includes returns with negative adjusted gross income.² IRA — individual retirement arrangement.

* 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 totals because of rounding.

Individual Income Tax Returns, 1987 Taxpayer Usage Study

Table 5. All Returns: Selected Items by Size of Adjusted Gross Income

(All figures are estimates based on samples—numbers of returns in thousands, amounts are in millions of dollars.)

Size of adjusted gross income	Adjusted gross income		Itemized deductions		Standard deduction		Exemptions	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total.....	98,569	2,474,879	32,179	328,426	65,908	202,382	89,761	199,098
No adjusted gross income ¹	606	* - 15,807	99	721	498	2,019	542	1,152
\$1 under \$5,000.....	14,834	37,939	233	1,561	14,565	32,178	7,827	11,616
\$5,000 under \$10,000.....	14,953	111,865	798	4,820	14,128	42,546	13,609	22,360
\$10,000 under \$15,000.....	12,829	159,296	1,395	9,194	11,371	36,734	12,609	23,064
\$15,000 under \$20,000.....	10,737	186,876	1,895	11,821	8,675	28,109	10,672	21,693
\$20,000 under \$30,000.....	15,807	391,848	5,797	40,326	9,897	34,030	15,765	36,442
\$30,000 under \$50,000.....	17,948	693,939	12,216	104,226	5,686	21,790	17,909	50,499
\$50,000 under \$100,000.....	9,398	607,510	8,370	108,422	1,014	4,573	9,376	28,043
\$100,000 or more.....	1,457	301,412	1,376	47,335	*74	*403	1,452	4,227

Size of adjusted gross income	Income tax after credits		Alternative minimum tax		Total tax ²		Income tax withheld	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns, total.....	82,495	313,101	138	1,994	84,257	326,000	84,603	289,316
No adjusted gross income ¹	*29	*59	—	—	125	156	184	215
\$1 under \$5,000.....	5,625	745	—	—	6,294	1,019	10,934	2,352
\$5,000 under \$10,000.....	10,649	4,032	—	—	11,171	4,669	11,623	7,283
\$10,000 under \$15,000.....	11,670	9,527	*5	—	11,932	10,383	10,981	13,083
\$15,000 under \$20,000.....	10,317	14,487	—	—	10,396	15,359	9,616	17,896
\$20,000 under \$30,000.....	15,609	37,310	*13	*15	15,680	39,238	14,522	43,226
\$30,000 under \$50,000.....	17,809	76,788	*22	*41	17,855	79,567	16,885	85,506
\$50,000 under \$100,000.....	9,330	92,882	*48	*604	9,348	96,193	8,679	81,275
\$100,000 or more.....	1,457	77,271	*50	*1,334	1,457	79,417	1,180	38,480

Size of adjusted gross income	Earned income credit ³		Refund		Overpayment applied to 1988 estimated tax		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total.....	7,500	3,496	72,073	63,263	3,643	4,884	20,811	41,873
No adjusted gross income ¹	*40	*21	216	177	*19	*8	*61	*56
\$1 under \$5,000.....	1,454	572	10,582	2,672	*63	*19	2,601	522
\$5,000 under \$10,000.....	2,904	2,069	11,233	6,147	424	222	2,403	708
\$10,000 under \$15,000.....	2,903	829	10,259	6,051	564	215	2,035	1,182
\$15,000 under \$20,000.....	199	5	8,458	5,524	455	293	1,864	1,197
\$20,000 under \$30,000.....	—	—	12,459	11,213	722	782	2,865	2,512
\$30,000 under \$50,000.....	—	—	13,670	18,958	711	725	3,826	5,009
\$50,000 under \$100,000.....	—	—	4,866	10,141	486	1,033	4,156	11,359
\$100,000 or more.....	—	—	329	2,380	198	1,587	998	19,328

¹ Includes returns with negative adjusted gross income.² 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 employer and tax on an IRA. (Income tax after credits was computed without regard to the earned income credit.)³ Includes returns with amounts used to reduce "total tax" to zero and returns with refundable amounts (where the credit exceeded "total tax").

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

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

Table 6.—Form 1040 Returns: Social Security Benefits, by Size of Adjusted Gross Income

[All figures are estimates based on samples—number of returns are in thousands, amounts are in millions of dollars]

Size of adjusted gross income	Total	Gross benefits		Tax-exempt interest ¹		Taxable benefits	
		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Form 1040 returns, total	63,521	9,014	74,065	1,103	13,690	3,283	11,704
No adjusted gross income ²	543	*62	*370	—	—	—	—
\$1 under \$5,000	5,050	933	6,340	*29	*409	*36	*103
\$5,000 under \$10,000	6,883	1,758	13,476	*53	*317	*10	*25
\$10,000 under \$15,000	6,441	1,428	12,166	*43	*104	*10	*58
\$15,000 under \$20,000	6,149	899	7,815	*44	*212	*46	*173
\$20,000 under \$30,000	11,406	1,380	11,182	191	1,454	656	1,114
\$30,000 under \$50,000	16,261	1,440	11,866	252	1,632	1,419	4,448
\$50,000 under \$100,000	9,330	856	8,003	348	4,240	855	4,378
\$100,000 or more	1,457	257	2,848	143	5,323	251	1,404

¹ Tax-exempt interest reported on returns with taxable social security benefits.² Includes returns with negative adjusted gross income.

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

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

Table 7.—Form 1040 Returns: Number With and Without Itemized Deductions, by Size of Adjusted Gross Income

[All figures are estimates based on samples—number of returns are in thousands and amounts are in millions of dollars.]

Number by size of itemized deductions	Total	Number of returns by size of adjusted gross income							
		Under \$5,000 ¹	\$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 returns, total	63,521	5,593	6,883	6,441	6,149	11,406	16,261	9,330	1,457
With itemized deductions:									
Number of returns	32,179	332	798	1,395	1,895	5,797	12,216	8,370	1,376
Total amount	328,426	2,282	4,820	9,194	11,821	40,326	104,226	108,422	47,335
Number of returns by size of itemized deductions:									
\$1 under \$500	*21	*7	*5	*2	—	*5	*2	—	—
\$500 under \$1,000	*40	*17	*9	*2	*8	*4	—	—	—
\$1,000 under \$1,500	*27	*5	*2	—	*14	*5	—	—	—
\$1,500 under \$2,000	*68	—	*17	*14	*16	*9	*6	*6	—
\$2,000 under \$3,500	1,464	*13	107	197	289	450	360	*48	—
\$3,500 under \$5,000	5,214	86	289	419	564	1,617	1,810	409	*23
\$5,000 under \$7,500	8,510	94	212	403	577	2,033	3,819	1,337	*35
\$7,500 under \$10,000	6,108	*68	81	224	215	992	2,929	1,550	*49
\$10,000 under \$15,000	6,180	*16	*36	82	156	523	2,433	2,710	224
\$15,000 under \$25,000	3,197	*18	*33	*23	*35	121	744	1,867	355
\$25,000 under \$50,000	1,148	*8	*7	*30	*21	*36	113	403	530
\$50,000 or more	203	—	—	—	—	*2	—	*40	161
Without itemized deductions	31,342	5,262	6,085	5,046	4,254	5,609	4,045	960	81

¹ Includes returns with negative adjusted gross income.

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

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

Individual Income Tax Returns, 1987 Taxpayer Usage Study

Table 8.—All Returns: Presence of Form W-2 Wage and Tax Statement, by Type of Return and Size of Adjusted Gross Income

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

Number of returns with Form W-2, type of return	Total	Number of returns by size of adjusted gross income							
		Under \$5,000 ¹	\$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	98,569	15,440	14,953	12,829	10,737	15,807	17,948	9,398	1,457
Forms W-2 attached, total	160,275	21,695	21,914	17,807	15,762	25,995	35,332	19,313	2,459
Number of returns with a W-2 attached	83,061	11,898	11,287	10,252	9,166	14,092	16,566	8,627	1,173
Number of returns by number of Forms W-2 attached:									
One	38,429	6,045	5,429	5,972	5,485	7,425	5,716	1,964	393
Two or more for same taxpayer	22,016	5,730	5,414	3,390	2,311	2,537	1,823	643	167
Two or more for different taxpayers ²	22,616	124	444	889	1,370	4,130	9,027	6,019	613
Form W-2 not attached	15,508	3,542	3,666	2,578	1,571	1,715	1,382	771	284
Form 1040 returns, total	63,521	5,593	6,883	6,441	6,149	11,406	16,261	9,330	1,457
Forms W-2 attached, total	97,732	4,708	6,457	6,931	8,205	17,976	31,817	19,180	2,459
Number of returns with a W-2 attached	49,221	2,749	3,492	4,003	4,620	9,732	14,893	8,559	1,173
Number of returns by number of Forms W-2 attached:									
One	21,080	1,570	1,863	2,322	2,675	5,138	5,169	1,950	393
Two or more for same taxpayer	9,128	1,129	1,424	1,241	1,122	1,748	1,657	641	167
Two or more for different taxpayers ²	19,013	*51	205	440	823	2,846	8,067	5,968	613
Form W-2 not attached	14,300	2,844	3,391	2,438	1,529	1,675	1,368	771	284
Form 1040A returns, total	17,104	2,988	3,640	3,333	2,568	3,028	1,479	*68	N/A
Forms W-2 attached, total	30,906	4,476	6,658	5,877	4,456	6,080	3,227	132	N/A
Number of returns with a W-2 attached	16,192	2,477	3,438	3,221	2,531	2,991	1,465	*68	N/A
Number of returns by number of Forms W-2 attached:									
One	8,067	1,344	1,694	1,837	1,486	1,293	397	*15	N/A
Two or more for same taxpayer	4,522	1,060	1,505	935	497	413	109	*2	N/A
Two or more for different taxpayers ²	3,603	*73	239	450	547	1,285	959	*51	N/A
Form W-2 not attached	912	511	201	112	*38	*36	*14	—	N/A
Form 1040EZ returns, total	17,944	6,859	4,430	3,056	2,019	1,373	208	—	—
Forms W-2 attached, total	31,637	12,511	8,799	5,000	3,100	1,939	288	—	—
Number of returns with a W-2 attached	17,648	6,672	4,356	3,028	2,015	1,370	208	—	—
Number of returns by number of Forms W-2 attached:									
One	9,282	3,131	1,871	1,813	1,324	994	150	—	N/A
Two or more for same taxpayer	8,366	3,541	2,485	1,215	691	376	*58	—	N/A
Two or more for different taxpayers ²	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Form W-2 not attached	297	*187	*74	*28	*4	*4	—	—	N/A

¹ Includes returns with no adjusted gross income and with negative gross income.² Even if each spouse on a joint return had two or more Forms W-2, the return was counted only once in the statistics for "two or more different taxpayers."

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

N/A — Not applicable.

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

Table 9.—Form 1040 Returns: Number With Selected Forms and Schedules, by Size of Adjusted Gross Income

[All figures are estimates based on samples—numbers of returns are in thousands]

Form or schedule	Total	Under \$5,000 ¹	\$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)
Forms 1040, total	63,521	5,593	6,883	6,441	6,149	11,406	16,261	9,330	1,457
A Itemized Deductions	33,301	391	943	1,567	2,079	6,102	12,382	8,468	1,369
B Interest and Dividend Income	31,767	2,447	3,549	3,144	2,595	4,837	7,561	6,260	1,374
C Profit (or Loss) from Business or Profession	10,447	1,189	1,241	1,028	981	1,810	2,311	1,623	265
D Capital Gains or Losses	11,689	671	750	887	790	1,706	2,846	3,018	1,021
E Supplemental Income Schedule	11,167	648	894	862	858	1,702	2,727	2,619	857
F Farm Income and Expenses	2,067	239	245	257	214	405	432	218	*58
R/RP Credit for the Elderly	436	*50	197	146	*43	—	—	—	—
SE Computation of Social Security Self-Employment Tax	9,823	1,072	1,258	1,087	892	1,694	2,081	1,448	289
1116 Computation of Foreign Tax Credit	496	*6	*28	*26	*22	*50	91	173	100
2106 Employee Business Expenses	4,415	*54	*56	127	297	753	1,543	1,375	210
2119 Sale or Exchange of Principal Residence ..	1,668	95	101	116	84	235	497	455	84
2210 Underpayment of Estimated Income Tax ..	3,764	122	189	352	285	572	765	1,023	456
2439 Regulated Investment Company Credit	*11	—	*5	—	—	—	—	*6	—
2441 Credit for Child and Dependent Care Expenses	5,847	*14	110	305	479	1,154	2,374	1,335	76
2555 Foreign Earned Income	*44	*13	—	*1	*6	—	*7	*6	*11
3468 Computation of Investment Credit	100	*2	*8	*11	—	—	*22	*33	*24
3800 General Business Credit	492	111	77	*39	*40	*74	*59	*52	*41
3903 Moving Expense Adjustment	961	*7	*21	*24	*42	186	363	260	*57
4136 Computation of Credit for Federal Tax on Gasoline, Special Fuels, and Lubricating Oil	706	102	113	82	85	132	128	*57	*7
4137 Computation of Social Security Tax on Unreported Tip Income	209	*40	*31	*28	*10	*34	*54	*13	*0
4255 Recapture of Investment Credit	335	*15	*10	*30	*15	*24	*64	126	*52
4562 Depreciation	11,104	888	888	848	974	1,864	2,824	2,258	560
4684 Casualties and Theft	175	*11	—	*12	*22	*37	*49	*44	—
4797 Supplemental Schedule of Gains and Losses	2,171	181	149	149	115	330	417	580	250
4835 Farm Rental Income and Expenses	529	*41	*66	*47	*46	109	111	*72	*36
4868 Application for Automatic Extension of Time to File	111	*8	*7	*16	*6	—	*51	*18	*5
4952 Investment Interest Expense Deduction	839	*24	*17	*15	*38	*70	162	264	249
4970 Tax on Accumulation Distribution of Trusts ..	*18	—	—	*11	—	—	—	—	*7
4972 Special 10-Year Averaging Methods	314	*11	*19	*50	*39	*68	*54	*67	*5
5329 Return for Individual Retirement Arrangement Taxes	1,178	*11	*45	84	78	237	361	334	*29
5695 Residential Energy Credit	*38	—	*1	*9	*7	*19	*2	—	—
5884 Job Credits	*23	—	—	—	*7	—	*6	*5	*5
6249 Windfall Profit Tax Credit	—	—	—	—	—	—	—	—	—
6251 Alternative Minimum Tax Computation	2,747	*61	*57	*75	*62	164	540	1,177	611
6252 Computation of Installment Sale Income ..	1,394	31	125	96	163	224	285	289	182
6765 Credit for Increasing Research Activities ..	*2	—	—	—	—	—	*2	—	—
8271 Investor Reporting of Tax Shelter Registration Number	562	*18	*18	*32	*27	*42	106	250	*66
8275 Disclosure Statement Under IRC Section 6661	—	—	—	—	—	—	—	—	—
8283 Noncash Charitable Contributions	751	*13	*5	*19	*17	*44	180	370	102
8332 Release of Claim to Exemption for Child of Divorced or Separated Parents	160	—	*2	*8	*17	*39	*75	*13	*7
8396 Mortgage Interest Credit	*4	—	—	—	—	*4	—	—	—
8582 Passive Activity Loss Limitations	3,551	148	162	185	190	389	781	1,167	528
8586 Low-Income Housing Credit	*7	—	*2	—	—	—	*5	—	—
8598 Home Mortgage Interest	411	*2	*7	*15	*21	*48	159	133	*26
8606 Nondeductible IRA Contributions, IRA Basis, and Nontaxable IRA distributions	1,139	—	—	*2	*19	*69	419	517	113
8615 Computation of Tax for Children Under Age 14 who have Interest Income of More Than \$1,000	312	256	*47	*2	*5	*2	—	—	—

¹ Includes returns with no adjusted gross income and negative gross income.

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

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

Individual Income Tax Returns, 1987 Taxpayer Usage Study

Table 10.—Form 1040 and Form 1040A Returns: Number With Payments to an Individual Retirement Arrangement (IRA), by type of Return and Size of Adjusted Gross Income

(All figures are estimates based on samples —number of returns are in thousands.)

Payments to an IRA, type of return	Total	Number of returns by size of adjusted gross income							
		Under \$5,000 ¹	\$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 Form 1040A returns, total	80,625	8,581	10,523	9,774	8,717	14,434	17,740	9,398	1,457
Returns with payments to an IRA, total	7,087	145	268	536	635	1,905	2,675	744	177
Size of payment:									
\$1 under \$2,000	2,658	90	117	226	172	744	1,249	*60	—
\$2,000	2,376	*42	130	252	358	716	596	259	*21
\$2,001 under \$2,250	*48	—	—	—	—	*20	*27	—	—
\$2,251 under \$4,000	738	—	*10	*23	*61	196	274	133	*41
\$4,000	270	—	—	*14	*10	*44	178	*22	*2
More than \$4,000	996	*11	*12	*22	*33	185	352	270	112
Returns without payments to an IRA	73,538	8,436	10,254	9,237	8,083	12,529	15,065	8,654	1,280
Form 1040A returns, total	63,521	5,593	6,883	6,441	6,149	11,406	16,261	9,330	1,457
Returns with payments to an IRA	6,424	120	232	403	534	1,669	2,544	744	176
Size of payment:									
\$1 under \$2,000	2,293	*74	94	157	132	614	1,163	*60	—
\$2,000	2,147	*41	116	195	304	630	580	259	*21
\$2,001 under \$2,250	*48	—	—	—	—	*20	*27	—	—
\$2,251 under \$4,000	711	—	*10	*17	*61	189	259	133	*41
\$4,000	250	—	—	*14	*4	*38	170	*22	*2
More than \$4,000	975	*5	*12	*20	*33	178	345	270	112
Returns without payments to an IRA	57,097	5,473	6,652	6,038	5,615	9,738	13,716	8,586	1,280
Form 1040A returns, total	17,104	2,988	3,640	3,333	2,568	3,028	1,479	*68	—
Returns with payments to an IRA	660	24	37	132	100	237	130	—	—
Size of payment:									
\$1 under \$2,000	364	*16	*23	*69	*40	131	86	—	—
\$2,000	228	*2	*14	*57	*54	86	*16	—	—
\$2,251 under \$4,000	*27	—	—	*6	—	*7	*14	—	—
\$4,000	*20	—	—	—	*6	*6	*8	—	—
More than \$4,000	*21	*6	—	*2	—	*7	*6	—	—
Returns without payments to an IRA	16,441	2,962	3,603	3,199	2,468	2,791	1,350	68	—

¹ Includes returns with no adjusted gross income and negative gross income.

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

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

N/A — Not applicable

Table 11.—All Returns: Exemptions by Size of Adjusted Gross Income

[All figures are estimates based on samples—number of returns and amounts are in thousands]

Size of adjusted gross income	Total number of returns	Returns claiming exemptions ¹		Taxpayer exemptions ¹		Exemptions for dependents, total	
		Number of returns	Number of exemptions	Number of returns	Number of exemptions	Number of returns	Number of exemptions
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns, total	98,569	89,761	199,098	89,734	133,448	34,878	65,084
No adjusted gross income. ¹	606	542	1,152	553	848	169	330
\$1 under \$5,000	14,834	7,827	11,616	7,820	8,966	1,620	2,621
\$5,000 under \$10,000	14,953	13,609	22,360	13,561	16,447	3,376	5,793
\$10,000 under \$15,000	12,829	12,609	23,064	12,580	16,495	3,631	6,405
\$15,000 under \$20,000	10,737	10,672	21,693	10,671	14,609	3,781	6,944
\$20,000 under \$30,000	15,807	15,765	36,442	15,773	24,025	6,485	12,316
\$30,000 under \$50,000	17,948	17,909	50,499	17,932	31,560	9,748	18,882
\$50,000 under \$100,000	9,398	9,376	28,043	9,392	17,792	5,343	10,278
\$100,000 or more	1,457	1,452	4,227	1,452	2,707	727	1,515

Size of adjusted gross income	Exemptions for children under age 5		Exemptions for dependents age 5 and over		Exemptions for children at home	
	Number of returns	Number of exemptions	Number of returns	Number of exemptions	Number of returns	Number of exemptions
	(8)	(9)	(10)	(11)	(12)	(13)
All returns, total	11,258	14,525	27,486	49,347	32,167	59,130
No adjusted gross income ¹	*34	*51	143	287	163	325
\$1 under \$5,000	600	736	1,135	1,854	1,467	2,395
\$5,000 under \$10,000	1,230	1,557	2,422	4,107	3,039	5,178
\$10,000 under \$15,000	1,356	1,750	2,684	4,523	3,243	5,503
\$15,000 under \$20,000	1,374	1,787	2,888	4,894	3,379	6,138
\$20,000 under \$30,000	2,237	2,903	5,085	9,030	5,978	11,053
\$30,000 under \$50,000	3,025	3,984	7,978	14,825	9,131	17,516
\$50,000 under \$100,000	1,225	1,542	4,510	8,536	5,077	9,632
\$100,000 or more	176	215	640	1,290	688	1,389

Size of adjusted gross income	Exemptions for children not at home		Exemptions for parents		Exemptions for other dependents	
	Number of returns	Number of exemptions	Number of returns	Number of exemptions	Number of returns	Number of exemptions
	(14)	(15)	(16)	(17)	(18)	(19)
All returns, total	1,575	2,502	1,151	1,400	1,478	2,329
No adjusted gross income ¹	—	—	—	—	*5	*5
\$1 under \$5,000	*68	*87	*74	*93	*70	*87
\$5,000 under \$10,000	150	244	123	139	190	287
\$10,000 under \$15,000	171	291	178	224	251	484
\$15,000 under \$20,000	200	332	153	176	230	373
\$20,000 under \$30,000	324	514	242	299	303	490
\$30,000 under \$50,000	433	672	203	264	290	423
\$50,000 under \$100,000	185	295	141	156	125	164
\$100,000 or more	*45	*66	*37	*50	*14	*16

¹ Includes returns with negative adjusted gross income.

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

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

Individual Income Tax Returns, 1987 Taxpayer Usage Study

Table 12.—Returns Filed by Dependents: Adjusted Gross Income and Selected Sources of Income, by Size of Adjusted Gross Income

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars]

Size of adjusted gross income	Adjusted gross income		Salaries and wages		Dividends		Taxable interest	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	8,796	30,960	7,452	24,869	1,026	1,246	4,659	3,390
No adjusted gross income ¹	*31	* - 872	—	—	*11	*5	*15	*16
\$1 under \$5,000	6,983	15,040	5,876	12,399	676	360	3,514	1,674
\$5,000 under \$10,000	1,383	9,476	1,273	7,813	205	384	862	690
\$10,000 under \$15,000	261	3,123	220	2,410	*47	*102	138	386
\$15,000 or more	136	4,193	83	2,246	87	396	128	625

Size of adjusted gross income	Total income		Itemized deductions		Standard deduction		Taxable income total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
All returns, total	3,946	16,887	90	768	8,624	15,327	6,476	16,497
No adjusted gross income ¹	—	—	—	—	*31	*26	*5	*871
\$1 under \$5,000	3,002	6,378	*12	*8	6,901	11,132	4,693	4,013
\$5,000 under \$10,000	657	4,496	*13	*23	1,358	3,377	1,379	5,967
\$10,000 under \$15,000	157	1,925	*6	*29	255	619	261	2,415
\$15,000 or more	129	4,089	*58	*708	79	173	136	3,229

Size of adjusted gross income	Taxable income taxed in part at parents' rate		Total income tax		Total tax		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
All returns, total	293	781	6,224	2,253	8,796	2,338	2,780	617
No adjusted gross income ¹	—	—	*1	—	*31	—	*1	—
\$1 under \$5,000	239	387	4,511	496	6,983	520	2,037	265
\$5,000 under \$10,000	47	289	1,328	813	1,383	833	615	198
\$10,000 under \$15,000	*2	*25	246	322	261	343	84	*49
\$15,000 or more	*5	*80	136	623	136	644	43	106

Size of adjusted gross income	Refund	
	Number of returns	Amount
	(25)	(26)
All returns, total	5,638	927
No adjusted gross income ¹	*2	—
\$1 under \$5,000	4,675	632
\$5,000 under \$10,000	728	161
\$10,000 under \$15,000	162	*51
\$15,000 or more	72	84

¹ Includes returns with negative adjusted gross income.

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

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

Table 13. Returns with Itemized Deductions: Selected Items by Adjusted Gross Income

[All figures are estimates based on samples—numbers of returns are in thousands, amounts are in millions of dollars.]

Size of adjusted gross income	Adjusted gross income		Itemized deduction	Medical and dental expenses		Total interest	
	Number of returns	Amount	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns, total.....	32,179	1,519,049	328,426	4,610	15,483	29,595	175,686
No adjusted gross income ¹	99	* -2,564	721	*53	*154	86	375
\$1 under \$5,000.....	233	692	1,561	138	566	161	515
\$5,000 under \$10,000.....	798	6,277	4,820	531	1,717	571	1,652
\$10,000 under \$15,000.....	1,395	17,626	9,194	652	2,197	1,153	3,815
\$15,000 under \$20,000.....	1,895	33,421	11,821	651	1,814	1,688	5,100
\$20,000 under \$30,000.....	5,797	146,595	40,326	1,127	2,590	5,341	18,917
\$30,000 under \$50,000.....	12,216	483,670	104,226	1,072	3,600	11,540	55,209
\$50,000 under \$100,000.....	8,370	544,710	108,422	353	1,427	7,838	74,656
\$100,000 or more.....	1,376	288,624	47,335	*34	*1,420	1,217	15,448

Size of adjusted gross income	Deductible home mortgage interest					
	Deductible investment interest		Paid to financial institutions		Paid to individuals	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(8)	(9)	(10)	(11)	(12)	(13)
All returns, total.....	1,187	3,930	24,512	136,160	1,586	4,038
No adjusted gross income ¹	—	—	*53	*220	*10	*16
\$1 under \$5,000.....	*13	*75	108	383	—	—
\$5,000 under \$10,000.....	*14	*180	436	1,218	*21	*19
\$10,000 under \$15,000.....	*20	*29	922	3,043	*23	*37
\$15,000 under \$20,000.....	*65	*129	1,122	3,591	93	219
\$20,000 under \$30,000.....	93	93	4,205	14,271	300	668
\$30,000 under \$50,000.....	258	356	9,750	41,807	611	1,452
\$50,000 under \$100,000.....	424	1,004	6,867	60,768	444	1,175
\$100,000 or more.....	301	2,064	1,049	10,858	83	452

Size of adjusted gross income	Personal interest paid		Total current-year contributions	
	Number of returns	Amount	Number of returns	Amount
	(14)	(15)	(16)	(17)
All returns, total.....	26,167	45,537	28,316	36,961
No adjusted gross income ¹	*50	*208	*62	*98
\$1 under \$5,000.....	112	82	140	117
\$5,000 under \$10,000.....	387	339	533	462
\$10,000 under \$15,000.....	942	1,067	1,055	971
\$15,000 under \$20,000.....	1,443	1,732	1,466	1,447
\$20,000 under \$30,000.....	4,639	6,274	4,995	4,663
\$30,000 under \$50,000.....	10,535	16,177	10,910	11,681
\$50,000 under \$100,000.....	7,096	16,762	7,866	13,016
\$100,000 or more.....	964	2,894	1,288	4,505

¹ Includes returns with negative adjusted gross income.

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

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