

Individual Income Tax Returns, Preliminary Data, 1986

By Martha Shiley and Robert Kalish*

Adjusted gross income (AGI) reported on the 103 million individual income tax returns for 1986 increased by 9.4 percent over 1985. Most major sources of income increased, most notably net gains from the sale of capital assets which doubled. Adjustments, or subtractions from income, and the tax base, as measured by "taxable income," rose more slowly than AGI. In contrast, total itemized deductions grew faster than AGI. Finally, total income tax increased by 15.6 percent from 1985 to 1986.

The preliminary 1986 data are presented in Table 1 and data for other recent years are summarized in the Selected Statistical Series, shown near the end of this Bulletin. In this article, preliminary 1986 data are compared against final data for earlier years. As mentioned throughout this article, some of the changes from 1985 to 1986 may reflect taxpayer reaction to provisions of the Tax Reform Act of 1986 (TRA), which was enacted on October 22, 1986. Individuals may have undertaken certain transactions or delayed receiving certain amounts of income, and accelerated certain itemized deductions because of the difference in tax treatment of these items for 1987 and later years. Such changes in behavior were often intended to reduce taxes or to increase tax benefits.

SELECTED SOURCES OF INCOME

The total amount of AGI exceeded \$2.5 trillion for 1986, reflecting growth in most of the sources of income shown in Figure A. Figures B and C further show the changes in the frequency of occurrence and the average amount of selected sources of income between 1985 and 1986. Figure B shows the average per return of AGI and of certain sources of income, while Figure C shows the number of returns for each source of income.

Net gains less losses from the sale of capital assets showed the highest percentage change, with an increase of 99.6 percent for 1986, compared with an increase of 25.2 percent for 1985 [1]. This change resulted in large part from the TRA, which repealed the preferential tax treatment of long-term capital gains beginning January 1, 1987 [2]. Figure D shows the changes in the net gains less losses, net long-term gains less losses, and net short-term gains less losses from 1981 to 1986. Net long-term capital gain transactions contributed most to the overall change between 1985 and 1986.

* Individual Returns Analysis Section. Prepared under the direction of Susan Hostetter, Chief.

Figure A.—Selected Sources of Income, Tax Year 1986

Selected income source	1986 Amount (millions)	Percentage change from 1985
Adjusted gross income.....	\$2,522,517	9.4%
Salaries and wages	2,046,135	6.1
Interest.....	168,202	-7.6
Dividends in AGI.....	63,074	14.6
Business or profession net income less loss	90,367	14.7
Net income.....	109,316	10.7
Net loss.....	18,949	5.3
Sales of capital assets net gain less loss ¹	136,274	99.6
Net gain (after exclusion) ¹	139,674	93.5
Net loss.....	3,399	13.0
Pensions in AGI.....	108,502	14.1
Farm net income less loss.....	-6,907	42.5
Net income.....	8,991	38.5
Net loss.....	15,898	14.1
Partnership and S Corporation net income less loss.....	5,453	315.9
Net income.....	52,764	8.8
Net loss.....	47,311	7.2

¹ Includes capital gain distributions not required to be reported on Schedule D, the capital gain computation schedule, including long-term capital gains distributed by regulated investment companies, mutual funds, and real estate investment trusts. The taxpayer entered 40 percent of the capital gain distribution (the amount remaining after the 60 percent exclusion) directly on Form 1040, if there were no other capital gains or losses to report.

In addition to capital gains, growth in AGI was fueled by increases in salaries and wages, business net income, pensions in AGI, and dividends. Salaries and wages increased 6.1 percent, following an increase of 6.7 percent for 1985. Since salaries and wages comprise approximately 80 percent of AGI, the change in this source has the greatest overall effect on AGI. Business net income (less loss) from non-farm sole proprietorships increased from 1985, by 15 percent to over \$90 billion. Pensions in AGI reached over \$108 billion, with a rate of increase of 14 percent which was somewhat smaller from that of the previous tax year. Dividends in AGI experienced a rise in 1986 similar to that for 1985. The increases in dividends contrasted to the previous 2 years (1983 and 1984) for which there was minimal growth.

In contrast to the growth of these sources of income, interest received decreased by 7.6 percent. The number of returns reporting interest income increased only 1.5 percent, compared to an average increase of 5.7 percent for the previous 5 tax years. In addition to the relative lack of growth in the number of returns claiming this source of income, the decline in the amount of interest income is related to the decline in interest rates throughout 1985 and 1986 [3].

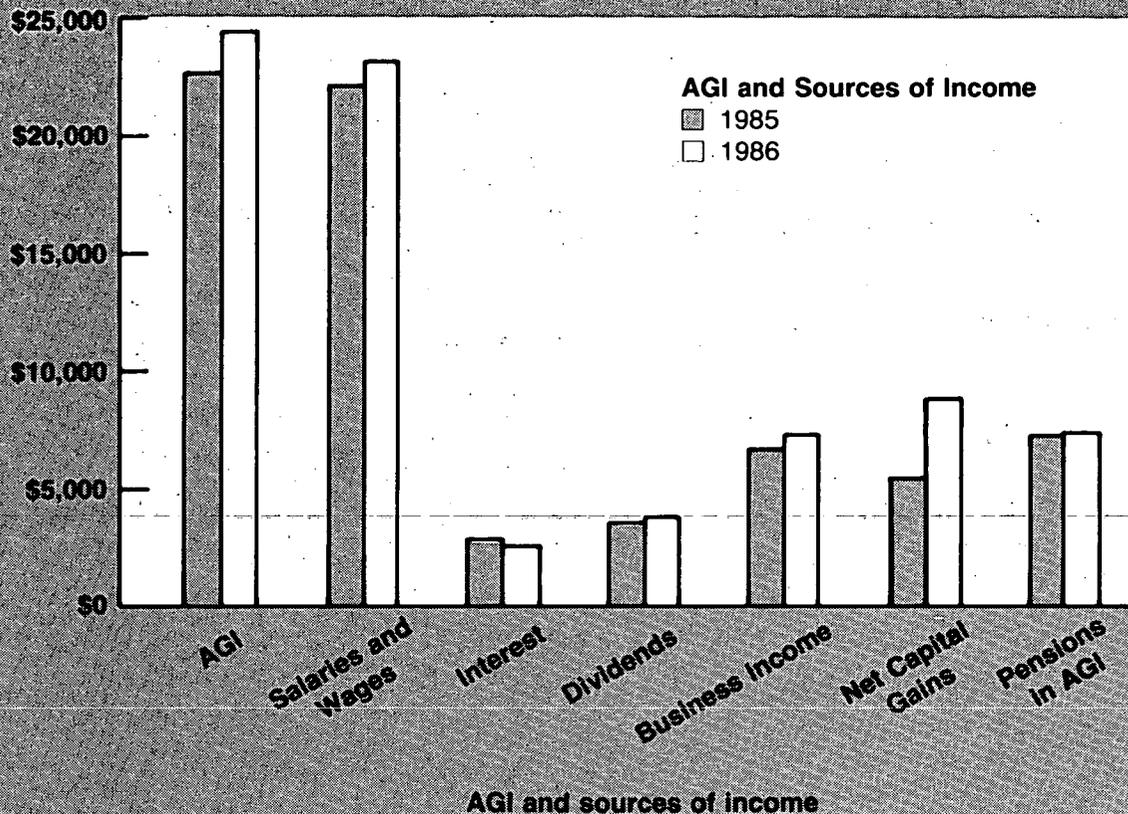
STATUTORY ADJUSTMENTS

Total statutory adjustments for Tax Year 1986 increased 4 percent which is a smaller increase than for AGI [4]. For

Figure B

Average Adjusted Gross Income and Selected Sources of Income, Tax Years 1985 and 1986

Dollars per return



1985, they had also grown more slowly than AGI. Payments to individual retirement arrangements (IRA's), which were the largest dollar component of statutory adjustments, showed almost no growth in contrast to the 8 percent increase for 1985.

Among other adjustments, the two-earner married couple deduction continued its growth as in the past and the adjustment for employee business expense also increased, following a decrease for the previous year (see Figure E).

ITEMIZED DEDUCTIONS

Total itemized deductions increased 10 percent from their 1985 level to over \$446 billion. Since 2 percent more taxpayers itemized, the average itemized deduction only rose 8 percent. Excess itemized deductions which equal

total itemized deductions less the zero bracket amount (standard deduction) rose 12 percent. Deductions for taxes paid and contributions to charitable organizations showed the largest percentage changes, followed by those for medical and dental expenses, miscellaneous expenses, and interest paid (see Figure F).

For 1986, the 13 percent increase in the deduction for taxes paid brought this amount to \$145 billion. A contributing factor was a 28 percent increase in State and local sales taxes to over \$28 billion, due in part to more generous optional sales tax tables supplied by the Internal Revenue Service. TRA repealed the deduction for State and local sales taxes for tax years beginning after 1986. Thus, taxpayers may have purchased items such as automobiles in Tax Year 1986 while the sales taxes were still deductible, rather than in Tax Year 1987 when they might otherwise have made such purchases. Deductible medical and dental

Figure C

Number of Returns Reporting Adjusted Gross Income and Selected Sources of Income, Tax Years 1985 and 1986

Millions of returns

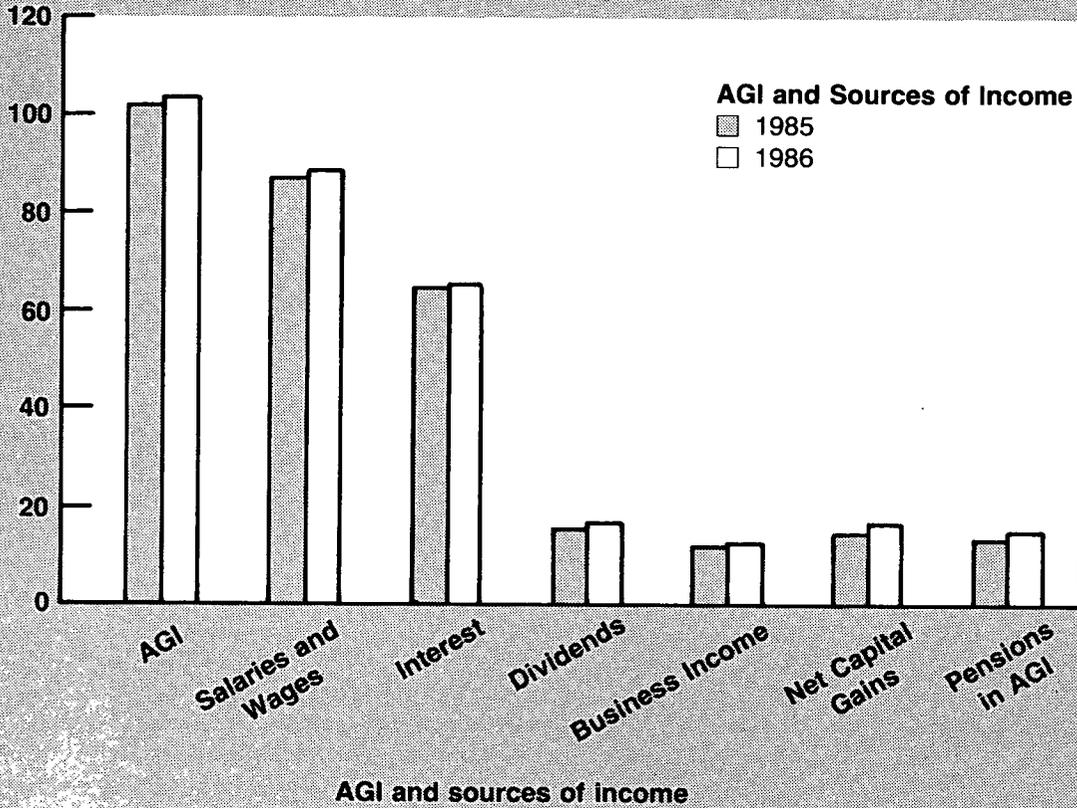


Figure D.—Net Capital Gains Less Losses, Tax Years 1981–1986

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

Tax Year	Net gains less losses included in AGI ¹			Net long-term gains less losses (before exclusion) ²			Net short-term gains less losses		
	Number of returns	Amount	Percentage change	Number of returns	Amount	Percentage change	Number of returns	Amount	Percentage change
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1981.....	10,790	\$ 31,322	(³)	8,433	\$ 69,870	(³)	2,995	\$ -11,488	(³)
1982.....	10,940	34,826	11.2%	8,734	75,745	8.4%	3,008	-10,100	12.1%
1983.....	10,918	49,408	41.9	9,747	107,209	41.5	3,613	-10,112	-0.1
1984.....	12,559	54,519	10.3	11,391	124,515	16.1	3,773	-13,128	-29.8
1985.....	12,659	68,278	25.2	11,813	152,879	22.8	3,575	-11,972	8.8
1986 ^p	15,611	136,274	99.6	14,747	312,438	104.4	3,788	-7,496	37.4

¹ Net gains less losses (col. 2) equals net long-term gains less losses (before exclusion) (col. 5) less the capital gains exclusion plus net short-term gains less losses (col. 8).

² Includes capital gain distributions (before exclusion) not required to be reported on Schedule D, the capital gain computation schedule, including long-term capital gains distributed by regulated investment companies, mutual funds, and real estate investment trusts. The taxpayer entered 40 percent of the capital gain distribution (the amount remaining after the 60 percent exclusion) directly on Form 1040, if there were no other capital gains or losses to report.

³ Not computed.

^p Preliminary.

Individual Income Tax Returns, Preliminary Data, 1986

Figure E.—Selected Statutory Adjustments, Tax Year 1986

Selected statutory adjustments	Number of returns (thousands)	1986 Amount (millions)	Percentage change from 1985	1986 Average (dollars)	Percentage change from 1985
	(1)	(2)	(3)	(4)	(5)
Total	38,231	\$99,246	4.4%	\$2,596	3.1%
Employee business expense	7,154	19,355	5.7	2,705	7.7
Payments to an IRA	15,714	38,256	0.1	2,435	3.3
Two-earner married couple deduction	25,858	26,915	9.3	1,041	5.0

Figure F.—Selected Itemized Deductions, Tax Year 1986

Selected itemized deductions	Number of returns (thousands)	1986 Amount (millions)	Percentage change from 1985	1986 Average (dollars)	Percentage change from 1985
	(1)	(2)	(3)	(4)	(5)
Total ¹	40,839	\$446,542	10.3%	\$10,934	7.6%
Medical and dental expense	10,568	25,063	9.3	2,371	11.5
Taxes paid	40,605	144,705	13.0	3,564	10.0
State and local sales taxes	N.A.	28,063	28.4	N.A.	N.A.
Interest paid	37,375	194,451	8.0	5,203	4.8
Credit card interest	27,024	14,343	17.2	531	13.0
Home mortgage interest	29,161	125,722	9.3	4,311	5.1
Contributions	36,858	54,454	13.5	1,477	11.4
Casualty or theft deduction	246	1,349	-9.4	5,484	-7.9
Miscellaneous deduction	33,639	26,521	8.4	788	5.9
Excess itemized deductions ²	40,345	313,015	12.3	7,758	9.3

¹ Total itemized deductions are before subtraction of zero bracket amount (standard deduction).

² Excess itemized deductions are after subtraction of zero bracket amount.

N.A. = Not available

expenses, in contrast to 1985 when they increased more slowly than any other deduction category, rose 9 percent.

The interest paid deduction, the largest single component of itemized deductions, increased 8 percent. Leading the growth in the interest paid deduction was credit card interest, which rose by 17 percent followed by home mortgage interest, which rose by 9 percent. Together the deductions for credit card interest and for home mortgage interest constituted \$140 billion of the \$195 billion total interest deduction.

INCOME TAX AND TAXABLE INCOME

Total income tax (the sum of income tax after credits and the alternative minimum tax on certain tax preferences) increased by 15.6 percent from its 1985 level (see Figure G)[5]. This reflects a near doubling of the 1985 increase. Taxable income, in contrast, increased by only 8.6 percent, compared to 7.1 percent for the previous year. The percentage of Tax Year 1986 returns reporting total income tax was 81.6, which reflected little change from the previous year.

The large increase in net gains from the sale of capital assets accounts for the large increase in total income tax in relation to the change in taxable income. These gains (included in taxable income after the capital gains exclusion) increased from \$68 billion for 1985 to \$136 billion for

1986 [1]. Since most of the gains were reported on returns with an AGI of \$100,000 or more, subject to higher marginal tax rates, taxes rose disproportionately. Figure G shows the year-to-year comparisons for income tax before credits which accounted for most of total income tax. Other factors contributing to the rise in total income tax were the decrease in total tax credits (discussed below) and the increase in the alternative minimum tax.

Figure G.—Adjusted Gross Income, Taxable Income, Income Tax Before Credits, and Total Income Tax, Tax Years 1981-1986

[Billions of dollars]

Tax Year	Adjusted gross income	Taxable income	Income tax before credits	Total income tax
	(1)	(2)	(3)	(4)
1981	\$1,773	\$1,411	\$294	\$284
1982	1,852	1,473	284	278
1983	1,943	1,545	280	274
1984	2,140	1,701	307	302
1985	2,306	1,821	332	326
1986	2,523	1,977	378	377

TAX CREDITS

Total tax credits fell 25 percent from 1985 to 1986 to \$7.7 billion. The number of returns claiming credits decreased by 17 percent. Leading these declines was the more than \$3.7 billion drop in the general business credit, largely affected by its principal component, the investment credit which was repealed for most property placed in service after 1985. Thus, only 4 percent of returns with credits claimed the general business credit for 1986, compared to 22 percent for 1985. It should also be noted that TRA reduced the amount of tax that could be offset by business tax credits starting with 1986 [6]. The decline in total tax credits was also influenced by the expiration of the residential energy credit. The child care credit, the largest component of total tax credits for 1986, experienced a slowing in its growth over the past several years as shown in Figure H.

Figure H.—Child Care Credit, Tax Years 1981-1986

Tax Year	Number of returns (thousands)	Amount (millions)	Percentage change from prior year
	(1)	(2)	(3)
1981	4,578	\$1,148	20.1%
1982	5,004	1,501	30.7
1983	6,367	2,051	36.6
1984	7,546	2,649	29.2
1985	8,445	3,131	18.2
1986	9,228	3,494	11.6

SUMMARY

Income increases in 1986 were fueled by growth in salaries and wages, pensions, dividends, business income, and especially sales of capital assets, while interest income

dropped. The increase in net capital gains accounted for a significant portion of the increase in total income tax. To a lesser extent, the increase in total income tax was also influenced by the decline in total tax credits. Total statutory adjustments increased more slowly than AGI, primarily due to the lack of growth in IRA's, while total itemized deductions continued to grow.

DEFINITIONS AND TAX LAW CHANGES

In general, the definitions of the terms used are the same as those shown in the complete report, *Statistics of Income—1985, Individual Income Tax Returns*.

The following is a partial list of 1986 tax law and Internal Revenue Service administrative changes that are reflected in the preliminary data in this article. Many of these changes resulted from provisions of the Tax Reform Act of 1986. Changes made by the 1986 Act were generally effective for taxable years beginning after 1986. However, as discussed above, certain important changes either were applicable for 1986 or produced changes in behavior which affected 1986 returns.

- For 1986, nonitemizers could deduct the full amount of their charitable contributions, whereas for 1985, only one-half of their contributions were deductible.
- The residential energy credit was no longer effective for expenditures on energy-saving items made in 1986 and later years. However, unused credits carried forward from prior years could still be claimed for 1986 and 1987.
- The investment tax credit was repealed for property placed in service after 1985, with the exception of business energy property, expenditures to rehabilitate older buildings, and certain "transition property" contracted for prior to 1986.
- The 1986 tax rate schedules were indexed to reflect the effect of inflation. The amount allowed as a deduction for each exemption was also indexed, increasing from \$1,040 for 1985 to \$1,080 for 1986. The "zero bracket amount" (the standard deduction) allowed all taxpayers was increased, and each tax bracket was widened. One effect of the indexing was an increase in the filing requirement.

DATA SOURCES AND LIMITATIONS

These preliminary statistics are based on a sample of individual income tax returns (Forms 1040, 1040A, and 1040EZ) filed in 1987. Returns in the sample were stratified based on the presence or absence of Schedule C, Profit (or Loss) from Business or Profession; Schedule F, Farm In-

come and Expenses; the larger of "total income" or "total loss," and the size of business plus farm receipts. These returns were selected at rates ranging from 0.02 percent to 100 percent. There were 74,985 returns in the 1986 preliminary sample estimating a total population of 103,299,601. The corresponding sample size and population for the preliminary 1985 data were 105,034 and 101,737,544, respectively. Sample size and population for the final 1985 data referenced in this article were 121,480 and 101,836,347, respectively.

Because the data presented in this article are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known. Coefficients of variation (CV's) are used to measure that magnitude.

Approximate coefficients of variation (CV's) for frequency estimates are presented in Figure I. The approximate CV's shown here are intended only as a general indication of the reliability of the data. For a number other than those shown, the corresponding CV's can be estimated by interpolation. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in the Appendix.

Figure I.—Estimated Number of Returns for Selected Coefficients of Variation, Tax Year 1986

Number of returns	Approximate coefficient of variation
48,261,500	0.01
12,065,400	0.02
1,930,500	0.05
482,600	0.10
120,700	0.20
53,600	0.30
39,400	0.35
19,300	0.50

While these preliminary estimates are intended to represent a full year of taxpayer reporting, they are actually based on returns processed between January and late September 1987. In general, those returns processed after September (which are sampled for use in the revised estimates for the year) tend to have slightly different characteristics from those filed earlier. Compared to other returns, the characteristics of these later returns include higher income, a larger proportion of investment income (such as from capital gains), a higher average tax liability, and a larger proportion of certain other items such as the alternative minimum tax.

Figure J provides a comparison of 1985 preliminary and final data. Figure J shows, for example, that certain items, such as AGI, salaries and wages, and total income tax which are reported on most returns, changed little between preliminary and final data. This contrasts with other items, such as sales of capital assets, which tend to be understated somewhat in the preliminary estimates.

Individual Income Tax Returns, Preliminary Data, 1986

Figure J.—Comparison of Preliminary and Final Data, Tax Year 1985

(Millions of dollars)

	1985 preliminary data	1985 final data	Difference 1985 preliminary and final data	Percent difference 1985 preliminary and final data
	(1)	(2)	(3)	(4)
Adjusted gross income.....	\$2,321,890	\$2,305,951	\$ - 15,939	-0.69%
Salaries and wages.....	1,937,945	1,928,201	-9,744	-0.50
Sales of capital assets net gain less loss (after exclusion).....	66,694	68,278	1,584	2.38
Total itemized deductions.....	401,043	405,024	3,981	0.99
Interest paid deduction.....	176,593	180,095	3,502	1.98
Total credits.....	10,433	10,248	-185	-1.77
Additional tax for tax preferences.....	3,113	3,792	679	21.81
Total income tax.....	328,735	325,710	-3,025	-0.92

NOTES AND REFERENCES

- [1] In addition to the gains reported on Schedule D, the capital gain computation schedule, these amounts also include capital gains distributions reported directly on the individual income tax returns.
- [2] For 1986, 60 percent of the excess of net long-term capital gains over net short-term capital losses was excluded from AGI. (In order to be "long-term", a "capital asset" had to be held for more than 6 months prior to its sale.) Forty percent of the amount was then included in AGI and subjected to a top marginal tax rate of 50 percent. The capital gains exclusion resulted in a top effective tax rate of 20 percent on this income. (In addition, 50 percent of net losses were deductible.) TRA increased the top effective rate for long-term capital gains beginning in 1987, as 100 percent of net

gains are subject to a special maximum rate of 28 percent in 1987. (For 1988 and thereafter, the top effective rate is 33 percent.)

- [3] For example, the average rate for 1-year U.S. Treasury bills at auction fell from 7.76 percent in 1985 to 6.07 percent in 1986. Interest rate data are from the Board of Governors of the Federal Reserve System, *Federal Reserve Bulletin*, Volume 73, Number 3, March 1987, p. A-24.
- [4] Statutory adjustments are deductions from gross income to arrive at adjusted gross income. These deductions are for moving expenses, employee business expenses, amount allowed for a working married couple, payments to an individual retirement arrangement (IRA), payments to a self-employed retirement (Keogh) plan, forfeited interest penalty, alimony paid, foreign housing, forestation or reforestation amortization, and the repayment of supplemental unemployment benefits.
- [5] The difference between total tax liability and total income tax in Table 1 is the sum of self-employment tax, social security tax on tips, tax from recomputing prior-year investment credits, taxes from individual retirement arrangements and other taxes, reduced by the "earned income credit used to offset all other taxes".
- [6] For 1986, the amount of tax liability that could be offset by business tax credits was \$25,000, plus 75 percent of the excess over \$25,000. Previously, the amount that could be offset was \$25,000 plus 85 percent of the excess over \$25,000.

Table 1.—All Returns: Selected Income, Deduction, and Tax Items, by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Interest received		Domestic and foreign dividends received			
			Number of returns	Amount	Number of returns	Amount	Total		Dividends in adjusted gross income	
							Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
All returns, total.....	103,299,601	2,522,516,770	88,587,385	2,046,135,285	65,489,838	168,202,347	20,910,031	65,091,946	16,751,892	63,073,757
No adjusted gross income	886,264	-32,929,844	364,486	6,688,340	627,691	2,458,156	208,771	649,685	167,464	632,445
\$1 under \$1,000.....	2,102,050	1,238,168	1,687,417	1,717,517	604,193	236,991	103,662	88,234	62,971	82,105
\$1,000 under \$2,000.....	3,356,016	5,042,736	2,740,580	4,578,051	1,133,095	647,288	286,491	120,364	234,895	106,504
\$2,000 under \$3,000.....	3,591,850	9,029,590	3,065,025	7,898,225	1,317,411	1,040,870	303,565	188,242	226,924	169,386
\$3,000 under \$4,000.....	3,201,037	11,156,625	2,654,419	9,152,095	1,458,321	1,297,806	270,975	143,957	227,666	125,576
\$4,000 under \$5,000.....	3,703,831	16,677,181	2,962,090	12,967,880	1,589,137	2,048,389	332,422	361,491	288,361	334,583
\$5,000 under \$6,000.....	3,133,542	17,199,059	2,484,374	13,389,691	1,460,444	2,216,537	332,401	382,024	287,918	357,426
\$6,000 under \$7,000.....	3,346,756	21,770,922	2,616,411	16,204,203	1,523,439	2,924,175	313,138	315,889	236,975	291,154
\$7,000 under \$8,000.....	3,104,763	23,287,575	2,395,033	17,466,682	1,531,500	3,420,618	350,778	316,112	263,432	287,782
\$8,000 under \$9,000.....	3,098,091	26,316,803	2,394,717	19,729,451	1,448,715	3,144,750	348,389	477,688	308,925	447,908
\$9,000 under \$10,000.....	3,247,383	30,781,811	2,616,558	23,734,936	1,500,996	3,369,976	353,481	461,858	287,038	431,239
\$10,000 under \$11,000.....	2,918,351	30,633,162	2,355,963	23,404,622	1,518,566	3,324,528	353,702	426,782	311,763	398,743
\$11,000 under \$12,000.....	2,820,527	32,428,574	2,303,192	25,296,623	1,551,076	3,010,334	341,902	404,601	291,326	377,723
\$12,000 under \$13,000.....	2,727,852	34,084,820	2,295,494	27,792,497	1,359,825	2,676,037	300,829	454,955	247,129	428,410
\$13,000 under \$14,000.....	2,819,051	38,043,260	2,411,110	31,021,961	1,416,830	2,944,163	368,409	715,853	310,570	684,977
\$14,000 under \$15,000.....	2,484,336	36,045,679	2,114,307	29,318,102	1,356,267	2,771,450	348,439	572,467	291,852	537,522
\$15,000 under \$16,000.....	2,434,535	37,727,119	2,098,153	30,552,687	1,335,141	3,159,314	315,735	402,455	245,748	375,903
\$16,000 under \$17,000.....	2,336,963	38,551,658	1,921,746	30,246,137	1,295,560	3,556,677	386,404	855,673	333,113	818,927
\$17,000 under \$18,000.....	2,268,581	39,687,059	1,964,732	32,319,295	1,367,678	3,300,844	353,214	631,121	279,605	602,227
\$18,000 under \$19,000.....	2,245,224	41,530,248	1,939,946	33,553,095	1,395,651	3,379,608	353,532	656,292	276,315	623,699
\$19,000 under \$20,000.....	2,072,517	40,398,028	1,758,746	32,360,113	1,370,411	3,457,401	342,037	650,251	268,982	619,038
\$20,000 under \$25,000.....	9,236,184	206,854,204	8,194,938	173,551,628	6,330,731	12,951,753	1,788,359	3,681,359	1,426,743	3,515,340
\$25,000 under \$30,000.....	7,546,056	207,521,896	6,914,619	182,619,869	5,684,881	11,164,601	1,538,309	2,436,373	1,183,420	2,301,030
\$30,000 under \$40,000.....	11,535,409	399,681,247	10,768,507	356,781,160	9,509,107	18,127,641	3,064,206	4,817,215	2,347,413	4,562,443
\$40,000 under \$50,000.....	7,515,514	334,720,916	6,997,499	298,434,304	6,726,761	15,313,972	2,630,950	5,106,527	1,979,535	4,847,313
\$50,000 under \$75,000.....	6,472,320	384,276,545	5,955,714	332,287,875	6,066,488	19,747,578	3,049,442	8,224,413	2,415,645	7,876,297
\$75,000 under \$100,000.....	1,543,398	131,616,441	1,344,352	100,633,324	1,493,498	9,883,721	973,987	5,028,146	848,805	4,893,108
\$100,000 under \$200,000.....	1,152,431	152,495,909	964,131	100,825,639	1,123,271	11,261,476	855,593	7,345,415	775,240	7,222,521
\$200,000 under \$500,000.....	306,148	87,234,337	240,730	45,819,638	301,288	7,262,756	257,001	8,100,064	244,390	8,060,404
\$500,000 under \$1,000,000.....	56,746	37,140,292	39,417	12,595,943	56,190	3,470,760	50,390	2,414,634	48,868	2,406,146
\$1,000,000 or more.....	35,875	82,274,749	22,952	13,193,699	35,676	4,632,177	33,518	8,661,808	32,861	8,655,879
Taxable returns, total.....	84,324,468	2,472,676,335	73,706,993	1,976,634,622	57,946,252	155,392,480	19,068,327	62,357,068	15,320,362	60,481,976
Nontaxable returns, total.....	18,975,133	49,840,434	14,880,365	69,500,664	7,543,586	12,809,868	1,841,704	2,734,879	1,431,530	2,591,782

Footnote(s) at end of table.

Individual Returns/1986

Table 1.—All Returns: Selected Income, Deduction, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	State income tax refunds		Alimony received		Business or profession net profit less loss		Pensions and annuities in adjusted gross income		Farm net profit less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total.....	21,394,256	9,858,296	437,652	3,102,724	12,431,364	90,367,239	14,849,501	108,502,091	2,532,815	- 6,907,476
No adjusted gross income.....	71,889	95,887	274	1,576	426,175	- 5,087,541	71,000	529,176	265,119	- 4,428,704
\$1 under \$1,000.....	*7,822	*4,308	—	—	153,952	- 23,082	*12,778	*23,497	27,535	65,005
\$1,000 under \$2,000.....	34,047	7,815	—	—	207,086	105,612	84,901	83,986	*20,756	* - 64,339
\$2,000 under \$3,000.....	38,590	12,371	*4,827	*4,344	167,762	119,703	152,202	240,701	46,402	- 61,850
\$3,000 under \$4,000.....	36,437	9,860	*4,827	*14,481	264,316	429,497	189,295	419,076	88,230	- 119,894
\$4,000 under \$5,000.....	85,237	23,108	*14,482	*39,824	248,732	437,211	344,614	1,019,447	54,322	- 298,815
\$5,000 under \$6,000.....	78,485	18,444	*12,779	*40,054	310,442	717,353	339,908	892,720	74,105	- 17,314
\$6,000 under \$7,000.....	114,860	36,020	*25,555	*102,907	294,901	896,328	445,036	1,565,640	71,167	- 300,842
\$7,000 under \$8,000.....	120,622	16,952	*4,827	*3,862	257,183	1,141,350	419,135	1,650,730	77,677	- 229,899
\$8,000 under \$9,000.....	116,064	35,664	*3,123	*4,685	297,863	1,073,993	513,906	2,339,095	41,887	- 107,666
\$9,000 under \$10,000.....	180,782	34,979	*19,308	*54,738	277,674	1,045,351	524,463	2,324,941	36,152	- 97,545
\$10,000 under \$11,000.....	175,450	66,702	*17,604	*100,894	235,350	879,354	494,293	2,615,322	*41,132	* - 74,460
\$11,000 under \$12,000.....	256,882	54,261	*12,777	*58,846	232,878	890,604	521,399	2,928,955	31,247	- 255,805
\$12,000 under \$13,000.....	188,314	45,072	*14,482	*19,311	231,737	1,099,505	430,045	2,505,051	59,436	- 116,814
\$13,000 under \$14,000.....	237,330	60,642	*27,259	*173,210	188,601	691,858	420,198	2,983,554	*35,339	* - 67,809
\$14,000 under \$15,000.....	210,817	54,150	*3,123	*14,241	269,380	1,024,896	412,636	3,085,926	48,419	- 106,345
\$15,000 under \$16,000.....	263,582	56,334	*4,828	*28,968	269,768	1,463,392	334,717	2,307,385	65,347	69,067
\$16,000 under \$17,000.....	308,370	74,627	*9,654	*23,715	245,517	1,116,561	404,977	2,816,623	69,385	- 4,269
\$17,000 under \$18,000.....	333,537	73,753	*9,654	*5,112	253,537	1,366,057	368,310	2,698,764	36,684	- 75,893
\$18,000 under \$19,000.....	339,598	84,020	*8,602	*34,480	239,716	1,352,279	390,147	2,734,065	38,813	32,229
\$19,000 under \$20,000.....	315,901	104,691	*4,827	*4,282	232,912	1,450,244	326,521	2,381,379	90,111	- 230,258
\$20,000 under \$25,000.....	2,079,745	591,362	64,741	383,739	1,184,684	7,403,634	1,481,915	12,034,211	230,046	- 355,312
\$25,000 under \$30,000.....	2,364,103	772,912	56,368	466,571	1,020,370	5,630,493	1,101,795	8,870,543	227,073	144,099
\$30,000 under \$40,000.....	4,977,226	1,713,768	72,285	926,134	1,779,083	10,941,544	1,777,912	14,132,487	305,707	232,304
\$40,000 under \$50,000.....	3,721,034	1,542,456	16,864	111,563	1,112,153	9,650,074	1,361,175	12,637,023	155,320	165,107
\$50,000 under \$75,000.....	3,262,691	1,809,595	14,551	330,132	1,220,135	16,136,757	1,298,091	13,507,855	159,023	327,806
\$75,000 under \$100,000.....	740,463	675,393	*5,380	*50,759	351,605	8,523,208	324,147	4,058,868	59,062	52,332
\$100,000 under \$200,000.....	551,156	847,218	3,793	60,143	334,628	13,442,152	243,597	3,655,269	44,728	- 195,032
\$200,000 under \$500,000.....	136,573	478,335	617	30,172	83,871	4,578,583	47,686	965,175	17,874	- 256,104
\$500,000 under \$1,000,000.....	32,190	210,510	173	5,355	22,431	1,196,063	8,044	219,663	12,188	- 254,097
\$1,000,000 or more.....	14,459	247,086	68	8,627	16,922	674,206	4,658	274,967	2,529	- 276,357
Taxable returns, total.....	20,574,419	9,459,328	380,775	2,951,271	10,119,365	90,328,778	13,147,772	102,105,395	1,758,931	- 2,081,334
Nontaxable returns, total.....	819,837	398,968	56,877	151,453	2,311,999	38,461	1,701,729	6,396,696	773,884	- 4,816,143

Footnote(s) at end of table.

Table 1.—All Returns: Selected Income, Deduction, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Sales of capital assets reported on Schedule D									
	Returns with short-term capital gain or loss				Returns with long-term capital gain or loss				Sales of capital assets Net gain less loss (after exclusion)	
	Net short-term gain		Net short-term loss		Net long-term gain		Net long-term loss			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	
All returns, total.....	1,931,765	7,690,239	1,856,236	15,185,792	10,360,227	326,750,722	1,712,188	17,484,388	12,936,506	135,005,278
No adjusted gross income	31,315	301,670	28,159	853,933	220,658	9,721,307	51,880	2,718,007	227,744	4,143,821
\$1 under \$1,000.....	*1,350	*17,988	*10,316	*345,474	37,578	357,194	*10,306	*2,581	37,578	156,514
\$1,000 under \$2,000.....	*9,738	*17,743	*8,010	*6,176	115,115	306,521	*7,951	*6,887	119,943	140,388
\$2,000 under \$3,000.....	*26,040	*28,900	*9,654	*22,880	144,925	380,939	*33,795	*97,375	173,888	119,441
\$3,000 under \$4,000.....	*24,934	*42,450	*654	*2,033	98,570	346,641	*23,909	*62,667	111,350	162,742
\$4,000 under \$5,000.....	*12,777	*2,798	*12,517	*27,987	173,187	691,027	*32,929	*146,681	206,116	237,447
\$5,000 under \$6,000.....	*7,950	*2,567	*27,931	*32,594	112,739	297,969	43,520	245,753	169,037	83,059
\$6,000 under \$7,000.....	*11,076	*24,057	*14,066	*149,773	114,004	380,061	*9,656	*65,632	144,388	110,882
\$7,000 under \$8,000.....	*14,482	*34,272	*29,417	*97,847	167,595	682,575	*9,659	*6,576	185,205	261,761
\$8,000 under \$9,000.....	*12,837	*8,569	*9,855	*42,688	137,205	659,031	*25,349	*567,745	169,484	215,448
\$9,000 under \$10,000.....	*13,058	*13,938	32,716	105,568	138,560	549,735	*19,304	*99,376	167,519	173,510
\$10,000 under \$11,000.....	*4,885	*6,962	*11,629	*109,249	157,956	501,156	*13,630	*240,776	186,067	154,172
\$11,000 under \$12,000.....	*14,483	*24,256	*17,801	*65,023	142,788	706,168	*16,753	*71,942	169,847	279,432
\$12,000 under \$13,000.....	*16,487	*6,730	*24,404	*35,789	175,229	1,062,688	*33,215	*139,022	208,444	386,201
\$13,000 under \$14,000.....	*31,223	*48,457	*30,908	*141,573	136,055	1,054,583	45,705	287,565	191,416	325,026
\$14,000 under \$15,000.....	*21,094	*16,673	*21,861	*623,660	100,452	395,232	33,311	86,672	144,906	127,407
\$15,000 under \$16,000.....	*22,931	*12,574	*25,626	*451,819	190,093	1,053,834	*26,628	*1,560,168	234,327	291,667
\$16,000 under \$17,000.....	*12,976	*14,344	*23,528	*225,036	188,748	1,117,674	*19,309	*58,469	214,315	374,294
\$17,000 under \$18,000.....	29,298	25,916	*19,130	*135,787	159,149	779,763	*29,159	*310,055	196,624	299,917
\$18,000 under \$19,000.....	*18,964	*11,038	40,522	182,926	181,870	1,082,108	*31,238	*63,129	245,193	350,389
\$19,000 under \$20,000.....	*32,096	*47,857	*17,604	*11,710	180,818	1,104,905	*12,419	*33,532	213,111	473,192
\$20,000 under \$25,000.....	119,925	293,694	135,181	1,485,812	756,778	5,287,941	135,442	1,304,274	1,000,277	2,002,771
\$25,000 under \$30,000.....	151,301	238,857	139,362	648,127	764,501	5,440,304	142,652	633,631	967,447	2,064,757
\$30,000 under \$40,000.....	270,920	409,183	230,011	1,007,578	1,343,309	11,819,622	224,395	1,236,337	1,737,892	4,674,593
\$40,000 under \$50,000.....	222,763	423,749	204,360	1,033,649	1,160,053	11,842,324	227,015	2,917,454	1,524,812	4,730,024
\$50,000 under \$75,000.....	369,075	735,129	305,162	2,426,134	1,634,547	25,087,351	259,819	1,977,732	2,041,673	9,786,589
\$75,000 under \$100,000.....	150,693	457,254	151,420	1,078,767	648,911	18,963,763	90,810	787,872	797,406	7,842,718
\$100,000 under \$200,000.....	176,897	969,276	186,126	2,155,500	671,714	43,761,702	80,627	954,366	801,363	17,966,171
\$200,000 under \$500,000.....	69,828	865,884	61,550	871,621	224,584	43,308,020	18,423	433,351	261,160	18,449,815
\$500,000 under \$1,000,000.....	12,761	458,265	19,565	355,165	49,405	29,088,892	2,402	105,196	53,156	12,134,028
\$1,000,000 or more.....	17,608	2,129,187	7,191	453,915	33,131	108,919,691	978	263,566	34,818	46,487,099
Taxable returns, total.....	1,827,062	7,320,486	1,708,601	12,891,407	9,392,436	316,229,500	1,471,208	13,150,044	11,796,646	130,928,747
Nontaxable returns, total.....	104,703	369,752	147,635	2,294,385	967,791	10,521,222	240,980	4,334,344	1,139,860	4,076,530

Footnote(s) at end of table.

Table 1.—All Returns: Selected Income, Deduction, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Unemployment compensation				Social Security income in AGI		Statutory adjustments			
	Total		In adjusted gross income		Number of returns	Amount	Total		Employee business expense	
	Number of returns	Amount	Number of returns	Amount			Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
All returns, total.....	8,258,783	14,178,329	5,134,328	7,033,367	3,225,302	10,879,322	38,231,054	99,246,133	7,154,225	19,354,602
No adjusted gross income	49,584	106,480	—	—	310	1,617	96,874	347,817	15,478	156,757
\$1 under \$1,000.....	*41,741	*106,505	—	—	**	**	*14,566	*49,838	*3,775	*27,789
\$1,000 under \$2,000.....	132,398	287,092	—	—	—	—	50,622	63,123	*5,024	*6,769
\$2,000 under \$3,000.....	172,436	335,880	—	—	—	—	82,188	131,692	*15,901	*82,750
\$3,000 under \$4,000.....	266,988	625,284	—	—	—	—	138,836	177,825	*27,259	*45,771
\$4,000 under \$5,000.....	247,607	538,626	—	—	—	—	194,302	269,679	47,987	112,324
\$5,000 under \$6,000.....	274,575	485,938	*9,654	*9,963	**4,829	**1,600	199,977	318,207	51,591	189,910
\$6,000 under \$7,000.....	308,724	540,653	*9,654	*12,063	—	—	253,985	270,847	57,356	89,712
\$7,000 under \$8,000.....	284,877	510,306	*14,482	*8,583	*4,827	*12,854	350,977	389,277	46,283	102,091
\$8,000 under \$9,000.....	262,960	550,598	*23,388	*13,830	—	—	364,131	514,904	76,290	219,178
\$9,000 under \$10,000.....	239,571	408,232	*17,605	*5,564	—	—	356,165	390,647	65,309	106,676
\$10,000 under \$11,000.....	325,274	517,666	51,394	24,278	*4,827	*9,427	442,001	421,153	93,446	149,539
\$11,000 under \$12,000.....	224,886	402,459	65,876	43,686	—	—	497,209	547,028	83,199	137,628
\$12,000 under \$13,000.....	246,536	512,542	113,579	74,169	—	—	482,986	667,756	94,914	220,119
\$13,000 under \$14,000.....	200,663	286,622	118,972	103,224	—	—	607,680	852,829	103,970	305,556
\$14,000 under \$15,000.....	228,864	357,017	113,864	122,106	—	—	600,097	938,141	113,176	337,539
\$15,000 under \$16,000.....	226,308	423,896	163,840	188,329	*72	*351	646,770	1,048,106	148,757	435,763
\$16,000 under \$17,000.....	232,658	357,330	160,915	151,095	*4,827	*2,360	576,482	734,167	115,215	198,552
\$17,000 under \$18,000.....	171,968	270,991	154,364	154,770	—	—	726,032	984,657	129,465	266,636
\$18,000 under \$19,000.....	189,105	299,829	189,105	191,027	*9,654	*39,881	636,879	866,841	113,584	242,221
\$19,000 under \$20,000.....	178,577	319,349	178,577	240,137	*3,124	*428	772,379	1,109,344	152,578	347,356
\$20,000 under \$25,000.....	926,999	1,565,328	923,595	1,350,482	137,522	139,345	4,050,772	6,776,788	770,013	1,871,172
\$25,000 under \$30,000.....	760,432	1,219,822	760,432	1,199,908	428,521	645,338	4,280,717	7,529,607	769,954	1,742,878
\$30,000 under \$40,000.....	1,098,285	1,698,751	1,098,285	1,691,032	948,180	2,526,949	7,749,722	16,517,033	1,341,288	3,075,375
\$40,000 under \$50,000.....	584,980	882,708	584,980	882,704	659,686	2,518,880	5,979,721	16,119,469	1,018,728	2,513,474
\$50,000 under \$75,000.....	334,685	482,074	334,685	482,071	582,526	2,572,937	5,537,103	22,423,127	1,117,885	3,346,635
\$75,000 under \$100,000.....	32,748	50,106	32,748	50,105	190,500	972,769	1,295,480	7,685,539	294,555	1,378,668
\$100,000 under \$200,000.....	11,971	27,897	11,971	27,897	176,780	1,019,527	953,696	8,096,579	229,569	1,202,363
\$200,000 under \$500,000.....	2,136	5,856	2,136	5,856	53,516	316,807	229,262	2,197,018	43,452	324,917
\$500,000 under \$1,000,000.....	162	374	162	374	9,673	58,559	44,135	499,863	5,740	64,394
\$1,000,000 or more.....	65	115	65	115	5,928	39,693	19,308	307,229	2,484	54,091
Taxable returns, total.....	6,796,110	11,062,244	5,103,354	7,000,569	3,195,157	10,781,512	36,633,376	96,914,021	6,943,661	18,420,651
Nontaxable returns, total.....	1,462,653	3,114,085	30,974	32,799	30,145	87,810	1,597,678	2,332,112	210,564	933,951

Footnote(s) at end of table.

Table 1.—All Returns: Selected Income, Deduction, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Statutory adjustments—Continued								Exemptions	
	Payments to an individual retirement arrangement		Payments to a Keogh Plan		Alimony paid		Deduction for working married couple		Number of exemptions	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	
All returns, total.....	15,714,041	38,255,838	772,476	6,178,104	573,106	3,650,996	25,858,054	26,915,348	246,596,408	266,104,826
No adjusted gross income.....	34,046	51,900	3,449	21,530	3,388	60,521	36,934	23,244	2,180,092	2,343,640
\$1 under \$1,000.....	*5,053	*12,662	*651	*3,017	**4,829	**5,824	*911	*579	2,828,891	3,047,022
\$1,000 under \$2,000.....	*18,821	*36,444	—	—	—	—	*18,139	*8,660	4,523,575	4,880,559
\$2,000 under \$3,000.....	*25,790	*42,500	—	—	—	—	48,184	3,872	5,190,980	5,597,093
\$3,000 under \$4,000.....	39,958	74,387	*233	*610	*73	*1,401	44,285	7,610	4,965,304	5,358,405
\$4,000 under \$5,000.....	40,405	72,138	—	—	*9,655	*47,210	67,578	9,423	6,088,101	6,568,916
\$5,000 under \$6,000.....	47,705	60,679	—	—	—	—	82,406	10,951	5,520,932	5,954,504
\$6,000 under \$7,000.....	83,276	133,743	—	—	—	—	120,245	18,685	6,498,366	7,008,902
\$7,000 under \$8,000.....	103,101	197,690	*58	*1,392	*58	*766	180,436	36,946	6,202,458	6,690,880
\$8,000 under \$9,000.....	114,060	165,833	*3,182	*5,263	*12,836	*62,494	170,731	42,520	6,217,675	6,707,150
\$9,000 under \$10,000.....	95,763	158,214	*1,901	*7,604	*7,951	*9,722	182,514	45,311	6,703,636	7,233,496
\$10,000 under \$11,000.....	114,985	170,432	*2,755	*10,733	*710	*7,239	240,642	57,090	6,339,924	6,840,528
\$11,000 under \$12,000.....	173,769	278,268	*8,147	*24,843	*6,104	*16,578	252,710	59,624	6,152,608	6,639,721
\$12,000 under \$13,000.....	129,588	263,384	*4,828	*9,656	*651	*3,906	285,085	88,952	5,987,823	6,463,440
\$13,000 under \$14,000.....	168,053	298,354	*6,925	*14,435	*12,777	*34,105	317,611	109,914	6,077,604	6,560,166
\$14,000 under \$15,000.....	156,324	347,026	*3,802	*16,037	—	—	365,105	150,987	5,796,629	6,249,771
\$15,000 under \$16,000.....	180,168	379,015	*6,728	*1,887	*11,074	*21,902	371,230	138,194	5,691,786	6,145,373
\$16,000 under \$17,000.....	190,979	317,952	*5,677	*14,517	—	—	299,934	124,345	5,418,125	5,849,001
\$17,000 under \$18,000.....	251,345	433,227	*6,260	*6,466	*3,406	*33,645	385,064	188,722	5,221,383	5,636,562
\$18,000 under \$19,000.....	184,210	350,553	*5,703	*8,495	*4,827	*3,862	403,695	203,972	5,243,138	5,658,881
\$19,000 under \$20,000.....	230,542	438,212	*1,901	*5,283	*8,428	*40,088	486,959	241,258	5,084,515	5,485,254
\$20,000 under \$25,000.....	1,293,406	2,488,060	40,122	90,779	86,479	275,564	2,578,555	1,618,475	23,202,217	25,038,631
\$25,000 under \$30,000.....	1,424,058	2,878,171	40,438	104,351	30,209	149,726	2,896,681	2,247,564	20,853,495	22,502,070
\$30,000 under \$40,000.....	2,877,243	6,473,532	105,299	341,125	101,384	474,466	5,611,348	5,594,689	33,965,575	36,663,968
\$40,000 under \$50,000.....	2,523,732	6,369,007	80,277	307,093	58,212	267,974	4,691,800	6,129,779	23,649,783	25,527,213
\$50,000 under \$75,000.....	3,132,636	9,214,953	169,013	944,619	94,319	651,479	4,246,118	7,211,634	20,853,533	22,511,599
\$75,000 under \$100,000.....	985,862	3,138,255	104,346	902,069	41,674	384,191	836,409	1,504,476	5,036,577	5,435,931
\$100,000 under \$200,000.....	829,892	2,610,477	129,321	2,355,840	49,394	607,088	508,288	844,642	3,795,643	4,096,332
\$200,000 under \$500,000.....	202,684	623,365	32,797	704,136	19,995	315,871	98,150	143,820	1,003,729	1,083,472
\$500,000 under \$1,000,000.....	40,037	128,586	5,544	169,361	2,869	92,504	22,722	38,067	180,719	195,078
\$1,000,000 or more.....	16,550	48,817	3,119	106,962	1,804	82,866	7,585	11,345	121,592	131,266
Taxable returns, total.....	15,367,468	37,596,019	754,074	6,103,699	555,110	3,509,902	24,805,661	26,603,039	204,890,927	221,132,589
Nontaxable returns, total.....	346,573	659,819	18,402	74,406	17,996	141,094	1,052,393	312,309	41,705,481	44,972,237

Footnote(s) at end of table.

Table 1.—All Returns: Selected Income, Deduction, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Contributions deduction for nonitemizers		Returns with itemized deductions							
	Number of returns	Amount	Number of returns	Total itemized deductions	Medical and dental expense deduction		Taxes paid deduction		Interest paid deduction	
					Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	
All returns, total.....	28,188,299	13,384,879	40,838,502	446,542,466	10,568,284	25,062,523	40,604,643	144,704,846	37,374,788	194,451,076
No adjusted gross income	—	—	—	—	—	—	—	—	—	—
\$1 under \$1,000.....	82,442	9,337	38,970	395,921	29,520	222,827	29,894	60,560	20,241	95,266
\$1,000 under \$2,000.....	316,333	32,912	136,411	336,828	30,851	63,328	126,757	69,229	35,038	176,325
\$2,000 under \$3,000.....	445,517	65,293	153,832	396,497	23,067	214,952	124,857	43,007	23,497	61,253
\$3,000 under \$4,000.....	726,081	113,718	188,178	712,984	91,199	182,553	165,747	130,498	97,162	220,870
\$4,000 under \$5,000.....	1,030,826	225,056	215,689	1,095,934	110,717	306,207	198,084	237,836	108,073	251,206
\$5,000 under \$6,000.....	962,688	288,542	237,865	1,057,297	160,044	470,635	228,957	188,054	115,984	223,064
\$6,000 under \$7,000.....	1,167,949	349,393	310,170	1,694,540	230,297	627,939	300,514	271,198	207,377	544,270
\$7,000 under \$8,000.....	1,148,984	425,070	293,098	1,866,635	219,239	919,711	277,463	321,988	186,898	424,033
\$8,000 under \$9,000.....	1,301,372	495,025	316,114	2,137,280	238,170	729,810	301,633	441,683	234,335	705,215
\$9,000 under \$10,000.....	1,431,426	483,712	453,115	2,706,955	283,071	946,092	446,387	507,697	359,128	954,289
\$10,000 under \$11,000.....	1,309,329	504,508	420,127	2,781,960	260,249	856,161	410,473	532,553	299,021	1,086,661
\$11,000 under \$12,000.....	1,314,483	465,679	481,939	3,006,634	300,758	912,547	472,285	661,817	387,037	1,059,707
\$12,000 under \$13,000.....	1,214,095	616,356	452,386	2,886,245	288,309	851,376	447,548	584,466	362,711	1,110,941
\$13,000 under \$14,000.....	1,290,415	505,176	506,942	3,152,140	282,851	649,401	497,288	704,915	457,251	1,345,383
\$14,000 under \$15,000.....	1,044,997	448,375	590,922	3,465,400	321,084	525,218	590,922	880,933	544,222	1,504,542
\$15,000 under \$16,000.....	989,795	463,732	568,310	3,581,577	308,291	640,703	568,310	896,233	494,006	1,603,840
\$16,000 under \$17,000.....	1,112,563	672,132	578,946	3,422,432	274,574	588,459	569,291	877,894	486,658	1,425,997
\$17,000 under \$18,000.....	913,451	419,952	694,881	4,252,176	301,222	579,048	690,054	1,117,350	667,619	1,902,010
\$18,000 under \$19,000.....	900,497	469,126	729,048	4,659,780	342,098	715,202	729,048	1,197,705	662,494	2,092,508
\$19,000 under \$20,000.....	936,819	491,187	668,746	4,494,128	348,295	643,720	663,908	1,156,731	574,604	2,027,323
\$20,000 under \$25,000.....	3,348,514	1,843,722	4,002,130	26,831,992	1,382,838	2,482,382	3,991,623	7,403,009	3,736,747	12,322,358
\$25,000 under \$30,000.....	2,056,236	1,226,893	4,437,020	32,746,510	1,214,796	1,880,368	4,433,616	10,336,226	4,171,660	15,168,327
\$30,000 under \$40,000.....	2,052,273	1,460,518	8,673,976	75,634,993	1,711,843	3,109,831	8,661,863	24,398,528	8,287,399	36,207,970
\$40,000 under \$50,000.....	723,810	679,392	6,586,324	70,190,912	952,581	2,097,018	6,581,185	23,625,439	6,346,258	33,669,888
\$50,000 under \$75,000.....	295,671	416,610	6,099,076	85,862,074	668,557	2,225,974	6,098,211	29,689,271	5,788,032	39,995,981
\$75,000 under \$100,000.....	44,111	112,759	1,493,557	30,710,158	124,949	610,637	1,488,826	10,780,877	1,366,978	13,875,752
\$100,000 under \$200,000.....	24,387	41,425	1,120,907	34,484,237	60,235	759,139	1,120,286	12,393,355	1,027,971	14,328,477
\$200,000 under \$500,000.....	2,591	28,925	298,073	19,366,052	7,882	225,712	297,921	7,071,655	259,318	5,902,545
\$500,000 under \$1,000,000.....	548	6,932	56,049	6,633,793	542	17,202	56,012	2,704,432	42,316	1,760,045
\$1,000,000 or more.....	96	3,221	35,701	15,978,399	135	8,370	35,680	5,419,708	24,753	2,405,032
Taxable returns, total.....	24,680,460	12,081,028	38,840,967	423,996,475	9,154,880	17,912,599	38,689,911	141,398,656	35,812,872	185,565,840
Nontaxable returns, total.....	3,507,839	1,283,851	1,997,535	22,545,991	1,413,384	7,149,924	1,914,732	3,306,190	1,561,916	8,885,236

Footnote(s) at end of table.

Table 1.—All Returns: Selected Income, Deduction, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Returns with itemized deductions—Continued						Taxable income		Income tax before credit	
	Contributions deduction		Miscellaneous deductions		Net casualty or theft loss		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)	
All returns, total.....	36,857,590	54,454,472	33,639,153	26,520,926	245,521	1,348,622	97,742,435	1,976,811,955	86,975,883	378,422,425
No adjusted gross income	—	—	—	—	—	—	—	—	631	6,501
\$1 under \$1,000.....	25,863	8,809	*11,988	*8,461	—	—	*3,123	*3,157	—	—
\$1,000 under \$2,000.....	58,377	15,068	35,821	12,806	*4,827	*72	2,492,703	1,635,249	211,046	16,608
\$2,000 under \$3,000.....	49,339	24,881	55,869	32,541	*4,827	*19,863	3,082,923	4,457,624	205,861	39,682
\$3,000 under \$4,000.....	119,107	68,255	93,378	102,795	*4,827	*8,013	2,901,245	6,268,227	917,660	77,459
\$4,000 under \$5,000.....	125,674	45,038	118,948	54,378	*3,381	*201,270	3,483,016	10,050,514	2,488,820	250,603
\$5,000 under \$6,000.....	178,802	113,326	132,025	57,693	*4,080	*4,525	3,028,758	10,784,507	2,386,056	427,886
\$6,000 under \$7,000.....	225,264	128,164	213,909	120,025	*4,827	*2,944	3,238,202	13,850,171	2,599,721	713,512
\$7,000 under \$8,000.....	239,801	134,545	197,602	64,818	*4,827	*1,540	3,029,628	15,502,731	2,519,339	941,673
\$8,000 under \$9,000.....	249,846	155,163	205,006	90,760	*3,123	*14,650	3,028,713	18,264,193	2,754,827	1,277,084
\$9,000 under \$10,000.....	343,314	189,922	315,396	94,720	*3,404	*14,236	3,203,974	21,940,615	3,030,429	1,688,200
\$10,000 under \$11,000.....	322,176	163,664	310,972	142,922	—	—	2,865,466	22,107,066	2,751,596	1,843,298
\$11,000 under \$12,000.....	376,566	250,414	328,455	122,149	—	—	2,792,898	23,906,526	2,741,216	2,107,991
\$12,000 under \$13,000.....	349,814	243,558	345,916	95,904	—	—	2,686,718	25,705,333	2,640,095	2,437,834
\$13,000 under \$14,000.....	405,828	275,365	357,073	173,812	*4,827	*3,263	2,800,455	29,448,888	2,764,568	2,928,709
\$14,000 under \$15,000.....	493,761	358,197	432,494	193,343	*8,206	*3,167	2,474,883	27,709,156	2,450,309	*2,806,327
\$15,000 under \$16,000.....	481,914	305,027	450,994	133,167	*4,827	*2,607	2,420,273	29,322,968	2,388,235	3,121,343
\$16,000 under \$17,000.....	474,662	346,740	415,187	181,411	*4,828	*1,931	2,326,808	30,403,615	2,316,944	3,424,762
\$17,000 under \$18,000.....	604,804	473,310	524,170	159,495	*9,085	*20,962	2,254,590	31,545,313	2,248,269	3,632,353
\$18,000 under \$19,000.....	651,016	437,093	583,309	207,289	*4,827	*9,982	2,232,636	33,030,128	2,224,987	3,898,782
\$19,000 under \$20,000.....	603,244	465,630	506,631	182,888	*19,668	*17,835	2,068,231	32,060,505	2,048,924	3,881,033
\$20,000 under \$25,000.....	3,570,170	2,737,270	3,252,802	1,682,343	49,264	204,630	9,211,880	165,677,466	9,195,576	21,436,577
\$25,000 under \$30,000.....	3,940,153	3,211,785	3,690,900	2,064,158	*19,319	*85,646	7,535,552	165,342,856	7,521,190	23,319,130
\$30,000 under \$40,000.....	7,968,249	7,049,359	7,397,383	4,674,717	22,522	194,588	11,520,669	315,275,596	11,515,133	49,456,626
\$40,000 under \$50,000.....	6,193,731	6,670,890	5,735,522	4,070,039	23,100	57,639	7,509,180	261,481,959	7,508,443	46,409,154
\$50,000 under \$75,000.....	5,890,763	8,831,215	5,326,120	4,750,865	27,650	368,768	6,462,756	297,565,471	6,460,340	63,084,828
\$75,000 under \$100,000.....	1,449,646	3,577,948	1,292,293	1,829,411	6,721	35,534	1,540,004	100,413,647	1,539,349	26,150,534
\$100,000 under \$200,000.....	1,086,860	4,682,696	970,656	2,278,565	2,156	42,005	1,149,646	117,868,659	1,148,885	38,261,042
\$200,000 under \$500,000.....	289,213	4,740,952	256,679	1,412,837	311	12,351	305,239	68,410,763	305,167	28,213,668
\$500,000 under \$1,000,000.....	54,590	1,745,972	49,475	400,387	46	5,755	56,498	30,526,547	56,496	14,132,308
\$1,000,000 or more.....	35,043	7,004,215	32,180	1,126,228	41	14,847	35,768	66,252,503	35,771	32,436,923
Taxable returns, total.....	35,281,170	53,005,949	32,294,774	25,479,440	209,844	633,991	84,283,093	1,945,833,418	84,291,897	377,472,807
Nontaxable returns, total	1,576,420	1,448,523	1,344,379	1,041,486	35,677	714,631	13,459,342	30,878,537	2,683,986	949,618

Footnote(s) at end of table.

Individual Returns/1986

Table 1.—All Returns: Selected Income, Deduction, and Tax Items, by Size of Adjusted Gross Income—Continued

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

Size of adjusted gross income	Total tax credits		Income tax after credits		Alternative minimum tax		Total income tax				Total tax liability	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Percent of all returns	Amount	Average dollars	Number of returns	Amount
	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)	(81)	(82)
All returns, total	17,374,053	7,654,831	84,264,923	370,932,395	579,810	6,115,470	84,324,468	81.6	377,050,937	4,471	86,115,653	390,795,560
No adjusted gross income.....	(1)	(1)	*546	*6,366	12,542	200,814	13,250	1.5	207,870	15,688	174,816	394,945
\$1 under \$1,000.....	(1)	(1)	—	—	*738	*3,863	*738	(2)	*3,863	5,234	75,610	22,986
\$1,000 under \$2,000.....	(1)	(1)	211,046	16,550	**86	**3,090	211,058	6.3	19,556	93	381,862	59,852
\$2,000 under \$3,000.....	(1)	(1)	205,861	39,682	**	**	205,863	5.7	39,766	193	379,507	79,178
\$3,000 under \$4,000.....	66,489	11,540	900,044	76,719	*294	*964	900,338	28.1	77,683	86	1,096,978	147,295
\$4,000 under \$5,000.....	126,812	22,813	2,416,695	247,730	*257	*712	2,416,952	65.3	248,442	103	2,538,189	318,797
\$5,000 under \$6,000.....	368,795	42,205	2,089,044	399,680	—	—	2,089,044	66.7	399,680	191	2,197,033	492,636
\$6,000 under \$7,000.....	561,656	103,766	2,113,614	637,981	*857	*3,365	2,114,471	63.2	641,347	303	2,223,212	759,802
\$7,000 under \$8,000.....	568,776	127,852	2,085,072	835,874	**375	**4,049	2,085,445	67.2	839,761	403	2,202,234	1,021,248
\$8,000 under \$9,000.....	653,734	159,695	2,321,037	1,122,716	**	**	2,321,039	74.9	1,122,877	484	2,428,073	1,290,483
\$9,000 under \$10,000.....	807,907	190,703	2,714,886	1,507,474	*655	*1,577	2,714,889	83.6	1,509,051	556	2,795,435	1,700,915
\$10,000 under \$11,000.....	848,115	135,761	2,630,068	1,708,556	*129	*4,114	2,630,197	90.1	1,712,671	651	2,676,388	1,869,952
\$11,000 under \$12,000.....	313,300	114,673	2,635,350	1,998,053	*2,552	*4,235	2,636,001	93.5	2,002,288	760	2,677,808	2,190,031
\$12,000 under \$13,000.....	330,558	113,327	2,564,513	2,327,955	*1,158	*3,094	2,565,439	94.0	2,331,049	909	2,607,060	2,535,157
\$13,000 under \$14,000.....	439,265	148,228	2,699,437	2,784,641	*3,546	*6,610	2,699,579	95.8	2,791,251	1,034	2,724,873	2,939,022
\$14,000 under \$15,000.....	403,864	134,377	2,396,249	2,672,216	*783	*3,244	2,397,032	96.5	2,675,460	1,116	2,420,576	2,866,026
\$15,000 under \$16,000.....	336,654	117,881	2,354,302	3,003,642	*12	*82	2,354,314	96.7	3,003,724	1,274	2,384,854	3,270,627
\$16,000 under \$17,000.....	240,657	94,632	2,300,771	3,330,130	*11	*553	2,300,782	98.5	3,330,683	1,448	2,310,729	3,541,007
\$17,000 under \$18,000.....	270,038	126,094	2,240,817	3,506,260	*670	*5,234	2,240,836	98.8	3,511,494	1,567	2,251,839	3,766,194
\$18,000 under \$19,000.....	299,121	113,862	2,199,937	3,785,019	*2,122	*7,482	2,200,554	98.0	3,792,501	1,723	2,223,562	4,038,493
\$19,000 under \$20,000.....	278,905	101,547	2,033,495	3,779,829	*11	*5	2,033,506	98.1	3,779,835	1,859	2,056,047	4,071,722
\$20,000 under \$25,000.....	1,548,711	558,499	9,157,932	20,883,772	1,650	14,498	9,159,582	99.2	20,898,270	2,282	9,199,852	22,199,598
\$25,000 under \$30,000.....	1,556,428	548,073	7,495,979	22,771,412	9,203	36,917	7,497,877	99.4	22,808,328	3,042	7,519,009	23,909,852
\$30,000 under \$40,000.....	2,462,263	838,672	11,470,877	48,618,579	61,112	162,638	11,479,782	99.5	48,781,218	4,249	11,504,220	50,787,665
\$40,000 under \$50,000.....	1,758,756	586,838	7,503,226	45,822,546	77,988	234,873	7,505,858	99.9	46,057,420	6,136	7,511,809	47,647,041
\$50,000 under \$75,000.....	1,746,446	726,074	6,446,673	62,359,044	117,312	514,746	6,460,810	99.8	62,873,790	9,732	6,462,251	64,967,060
\$75,000 under \$100,000.....	523,012	453,819	1,533,792	25,696,838	90,990	534,450	1,540,431	99.8	26,231,288	17,029	1,542,067	27,107,477
\$100,000 under \$200,000.....	493,076	950,584	1,146,977	37,310,748	121,431	1,229,586	1,150,696	99.8	38,542,715	33,495	1,151,459	39,558,375
\$200,000 under \$500,000.....	167,787	496,291	304,511	27,717,813	46,110	1,008,579	305,597	99.8	28,726,392	94,001	305,749	28,974,651
\$500,000 under \$1,000,000.....	35,564	171,981	56,428	13,962,105	11,115	434,689	56,680	99.9	14,396,794	254,001	56,702	14,508,157
\$1,000,000 or more.....	27,248	434,463	35,744	32,002,464	16,101	1,691,405	35,828	99.9	33,693,869	940,434	35,850	33,759,314
Taxable returns, total	14,324,620	6,542,435	84,264,923	370,932,395	579,810	6,115,470	84,324,468	100.0	377,050,937	4,471	84,324,468	389,628,786
Nontaxable returns, total	3,049,433	1,112,196	—	—	—	—	—	—	—	—	1,791,185	1,166,774

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

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

¹ Not available.

² Less than 0.05 percent.

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