

SOI BULLETIN



Department of the Treasury
Internal Revenue Service

Volume 5, Number 3

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Contents of This Issue

Page

- 1 Individual Income Tax Returns, Preliminary Data, 1984**
- 11 Corporation Income Tax Returns, Preliminary Data, 1983**
- 21 Nonprofit Charitable Organizations, 1982**
- 41 Individual Income Tax Rates, 1983**
- 55 Private Activity Tax-Exempt Bonds, 1984**
- 65 Sales of Capital Assets, 1981 and 1982**
- 91 Crude Oil Windfall Profit Tax, First Quarter, 1985**
- 95 Selected Statistical Series, 1970-85**

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Department of the Treasury
Internal Revenue Service

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The SOI Bulletin provides the earliest published annual financial statistics from various types of tax and information returns filed with the Internal Revenue Service. It also includes information from periodic or special analytical studies of particular interest to tax administrators. In addition, historical data are provided for selected types of taxpayers, as well as the gross internal revenue collections and other tax related items.

Information on the availability of additional unpublished data concerning the topics in this issue may be obtained by writing to the Statistics of Income Division, D:R:S, Internal Revenue Service, Washington, DC 20224.

Fritz Scheuren
Director, Statistics of Income Division

In addition, special Statistics of Income tabulations based on income tax returns can be produced upon request on a reimbursable basis. Requests for this service should be addressed to the Director, Statistics of Income Division, at the address shown above.

Ralph B. Bristol, Jr., Chief, Tax Statistics, Office of Tax Analysis, provided overall policy review and comments. Robert A. Wilson and Bettye Jamerson were the technical editors of the publication. Clementine Brittain provided editorial assistance and copy preparation.

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COMMISSIONER OF INTERNAL REVENUE

Washington, DC 20224

February 11, 1986

The Honorable James A. Baker, III
The Secretary of the Treasury
Washington, DC 20220

Dear Mr. Secretary:

I am transmitting the Winter 1985-86 issue of the Statistics of Income Bulletin. This report has been produced in accordance with the mandate of section 6108 of the Internal Revenue Code which requires the preparation and publication of statistics reasonably available with respect to the operation of the internal revenue laws. Presented in this issue are recent financial and tax data obtained from tax returns and associated supporting schedules.

With kind regards,

Sincerely,

A handwritten signature in cursive script that reads "Roscoe Egger". The signature is written in black ink and is positioned below the typed name "Roscoe Egger".

Articles in Preparation for Upcoming Issues

- Superfund for Environmental Taxes, 1984
- An Analysis of Partnership Activity, 1981-84
- Corporation Foreign Tax Credit by Industry, 1982
- Interest Income and Deductions, 1968-83
- High-Income Nontaxable Individual Income Tax Returns, 1984
- Estates, 1982-84

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NEW
STATISTICAL
SERVICES
(available from
Statistics of Income
Division)

As part of the Statistics of Income program a series of new services is now being offered (see below). Detailed information on these statistical services can be obtained by writing to Director, Statistics of Income Division (D:R:S), Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC 20224. Purchase is by check made payable to the IRS Accounting Section.



Studies of International Income and Taxes -- Price \$45.00

Purchase price includes a 516-page document for 1979-83 that presents information from 13 Statistics of Income studies in the international area, including:

Foreign activity of U.S. corporations	Foreign interests in U.S. corporations	Data presented by-- geographical area or industrial activity, as well as other classifiers
Activity of foreign corporations in the U.S.	Statistics related to individuals, trusts, and estates	

Purchasers of this service also will be provided with additional information for one year as it becomes available. The one year period for receiving additional information can be extended at a cost of \$35.00 per year. A long-term subscription (\$150) includes the compendium and additional information as it becomes available through August 1990. (The next compendium is scheduled for release in September 1990.)

Individual Income Tax Returns -- Price \$20.00

Purchase price includes a 115-page document for 1983 presenting Statistics of Income data and tables on:

Sources of income	Itemized deductions	Data presented by--
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		marital status

Purchasers of this service also will be provided with preliminary 1984 and 1985 data as they become available and will be notified of future statistical releases relating to individual income tax returns.

Partnership Returns -- Price \$22.00

Purchase price includes a 314-page document for 1978-82 presenting previously unpublished Statistics of Income data for 1980, 1981 and 1982, as well as data previously issued in other publications. Features include:

Receipts	Deductions	Data presented by--
Cost of sales and operations	Net income	industry
Limited partnerships	Capital gains	size of total assets
		state
		number of partners

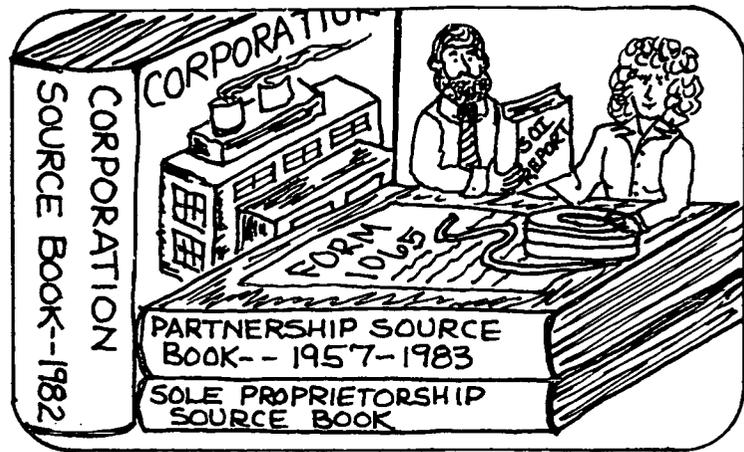
Purchasers of this service also will be provided with data for 1983 and 1984 as they become available and will also be notified of future statistical releases relating to partnership returns.

Other Services -- Price dependent on the request

- Unpublished tabulations from SOI program are available. Includes detailed tables underlying those published in SOI Bulletin.
- Special tabulations produced to user specifications.
- Public use tape files, including the Individual Tax Model (1979-83), among others. (Earlier files are available from the Machine Readable Archives Division of the National Archives and Records Service, Washington, DC 20408)

**BUSINESS
SOURCE BOOKS**
(available from
Statistics of Income
Division)

In addition to the Corporation Source Book, two others are now being offered by the Statistics of Income Division (see below). Information can be obtained by writing to Director, Statistics of Income Division (D:R:S) at the address above. Purchase of Source Books should be made at time of request by check payable to the IRS Accounting Section.



Corporation Source Book, 1982 -- Price \$175

This is a 481-page document that presents detailed income statement, balance sheet, tax and investment credit items by major and minor industries and size of total assets. This report is part of an annual series and can be purchased for \$175 (earlier issues at \$150). A magnetic tape containing the tabular statistics for 1982 can be purchased for \$1,500.

Partnership Source Book -- Price \$30.00

This is a 291-page document showing key partnership data for 1957 through 1983, at the minor, major and division industry level. Includes an historical definitions of terms and legislative changes affecting partnerships during that period. Tables feature:

Number of partnerships	Depreciation	Payroll
Number of partners	Taxes paid deductions	Payments to partners
Business receipts	Interest paid	Net income

~~Purchasers of this service also will be advised of the release of subsequent years' data. A magnetic tape containing the tabular statistics can be purchased for an additional \$200.~~

Sole Proprietorship Source Book -- In preparation

This Source Book is a companion to that for partnerships, shown above. It is expected to be available later in 1986. Included will be data on:

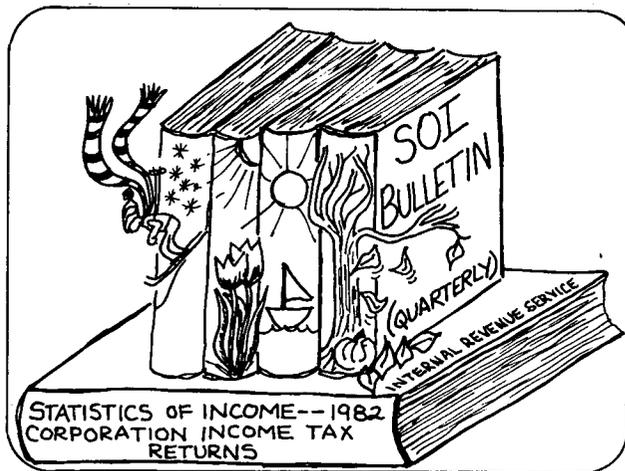
Number of business	Depreciation	Payroll
Business receipts	Taxes paid deductions	Net income
Interest paid		

As with Partnerships, a magnetic tape will also be available.

**OTHER
PUBLICATIONS**
(Available from Superintendent of Documents
GPO, Washington, D.C. 20402)

The Statistics of Income (SOI) Bulletin
(Quarterly) -- Publication No. 1136
Subscription price \$20.00; Single copy price \$5.50

The SOI Bulletin provides the earliest published financial statistics from the various types of tax and information returns filed with the Internal Revenue Service. The Bulletin also includes information from periodic or special analytical studies of particular interest to tax administrators and economists.



Statistics of Income--1982, Corporation Income Tax Returns, Publication No. 16 -- Price \$6.00

Presents information on--

Receipts	Taxable income	Distributions to stock-	Data classified by--
Deductions	Income tax	holders	industry
Net income	Tax credits	Assets	accounting period
		Liabilities	size of total assets
			size of business receipts

Correction to Fall 1985 Issue

Age and Tax Filing

Figure F., p. 32: Column 1 should read "Total
returns" rather than "Total
income."

Contents

Page

Individual Income Tax Returns, Preliminary Data, 1984	1
By David Barker and Marshall Epstein	
According to preliminary data for Tax Year 1984, adjusted gross income exceeded \$2 trillion for the first time. This led, in turn, to an 11 percent increase in "taxable income," and a 10.9 percent in income tax. This was the first increase in tax since rate reductions were enacted in 1981.	
Corporation Income Tax Returns: Preliminary Income and Tax Statistics, 1983	11
By Karen Gutmann	
Preliminary corporate data for 1983 reveal a 21 percent rise in net income, reversing the downward trend in corporate profits that began with 1979. This reflected an increase in business receipts of nearly \$150 billion.	
Nonprofit Charitable Organizations, 1982	21
By Laura M. Heuchan	
Although the population of nonprofit charitable organizations decreased, their total asset holdings increased by \$171.1 billion since 1975, the last year for which detailed statistics are available.	
Individual Income Tax Rates, 1983	41
By Dan Holik	
Average tax rate on returns that showed a tax, fell from 15.4 percent of adjusted gross income (AGI) for 1982 to 14.4 percent for 1983. For 1983, tax at the 15 percent marginal rate generated the most income tax, amounting to over \$36 billion.	
Private Activity Tax-Exempt Bonds	55
By Philip Clark	
For 1984, the dollar volume of long-term private activity tax-exempt bonds reached \$74.7 billion, up from \$57.3 in 1983, extending a trend in which private purpose bond volume increased from \$8.9 billion in 1975.	
Sales of Capital Assets, 1981 and 1982	65
By Bobby Clark and David Paris	
For 1981, 8.4 million individual taxpayers reported gain or loss from sales of "capital assets." Total gain less loss amounted to \$122.9 billion, a 164 percent increase over 1977, the last previous year for which capital transactions were tabulated.	
Crude Oil Windfall Profit Tax, First Quarter 1985	91
By Edward Chung	
Windfall profit tax continued to decline. For the first quarter of 1985, the tax was \$1.7 billion, the lowest amount reported since the first full quarter (June 1980) for which the tax was imposed.	
Selected Statistical Series	95
Appendix — General Description of SOI Sample Procedures and Data Limitations	115
Cumulative Index of Previously Published SOI Bulletin Articles	Back Cover

The Government are very keen on amassing statistics. They collect them, add them, raise them to the nth power, take the cube root and prepare wonderful diagrams. But, you must never forget that every one of these figures comes in the first instance from the Village Watchman, who just puts down what he damn pleases.

Sir Josiah Stamp
Inland Revenue Department
England 1896-1919

Individual Income Tax Returns, Preliminary Data, 1984

By Marshall S. Epstein and David Barker*

Preliminary data from individual income tax returns for Tax Year 1984 reflected an expanding economy and the culmination of four years of tax reductions. Overall, adjusted gross income (AGI) grew by 11.1 percent; salaries and wages grew by 10.6 percent. Substantial increase in interest received (13.0 percent), business profits (15.8 percent), and pensions and annuities (14.6 percent) also contributed to AGI growth. In addition, \$7.9 billion of social security benefits were included in AGI for the first time. The increase in income led, in turn, to an 11.0 percent increase in taxable income and a 10.9 percent increase in total income tax, the first increase in tax since the rate reductions phased in by the Economic Recovery Tax Act of 1981 (ERTA). The increase in total income tax for the United States was accompanied by a drop in the average bill for taxpayers in virtually all AGI classes except in the "\$1 million or more" class, a result of the last phase of the rate reduction mandated by ERTA. The 1984 data and the changes from 1983 are summarized in Figure A [1].

SELECTED SOURCES OF INCOME

For Tax Year 1984, AGI exceeded \$2 trillion for the first time. Taxpayers reported \$2,157.7 billion of income on 99.6 million tax returns. The 11.1 percent rise in AGI for Tax Year 1984 was the highest growth rate for AGI since Tax Year 1979.

Much of the increase in AGI for 1984 was due to a 10.6 percent increase in salaries and wages (see Figure B). Salaries and wages typically account for more than 80 percent of AGI, hence there is a high correlation between the growth of the two. This increase resulted primarily from growth in the employed labor force and average salaries and wages [2]. The accompanying 2.1 percent average decline in the unemployment rate with a concomitant reduction in unemployment payments from all sources caused unemployment income in AGI to fall by 15.2 percent to \$6 billion [3].

An increase in interest income accounted for 9.3 percent of the increase in AGI for Tax Year 1984. This increase was primarily due to rising interest rates.

Although 6.2 percent more returns had dividends in AGI for 1984, the actual dollar amount increased by only 1.7 percent.

An increase in personal consumer expenditures partially aided nonfarm businesses. Nonfarm business net profits (less losses) increased 15.8 percent to \$69.9 billion. In contrast, farm profits less losses declined 36.2 percent to \$-12.7 billion. The last year farm profits exceeded farm losses was 1979.

Pensions in AGI were reported on 11.6 million returns for Tax Year 1984, an increase of 1.5 million returns from Tax Year 1983. The dollar amount of pensions in AGI increased by 14.6 percent, to \$80.0 billion, continuing the trend of recent years [4]. For 1984, some taxpayers had to include a portion of their social security income in AGI for the first time. The amount of social security income included in AGI was equal to the lesser of half the social security benefits received for the year or half of the excess of the taxpayers' modified AGI over a specified base amount. The base amount that applied was \$25,000 for single persons, \$32,000 for married couples filing jointly, \$25,000 for married persons filing separately and not living with their spouse, and zero for married persons filing separately and living together (see Definitions and Tax Law Changes at the end of this article). For Tax Year 1984, 2.6 million taxpayers reported \$7.9 billion of social security income in AGI. Without social security income, the AGI increase would have been 10.7 percent.

STATUTORY ADJUSTMENTS

Total statutory adjustments did not increase as quickly for Tax Year 1984 as they did for 1982 and 1983. The amount claimed by taxpayers increased by only 10.2 percent, to \$89.7 million.

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

Individual Returns, 1984

Figure A.--Sources of Income and Selected Tax Items, 1983 and 1984

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

Item	1983 (Final)	1984 (Preliminary)	Change, 1983 to 1984	Percent change 1983 to 1984
	(1)	(2)	(3)	(4)
Number of returns, total.....	96,321,310	99,604,775	3,283,465	3.4%
Taxable.....	78,016,323	81,850,383	3,834,060	4.9
Nontaxable.....	18,304,987	17,754,392	-550,595	-3.0
Adjusted gross income less deficit.....	\$1,942,589,865	\$2,157,738,100	\$215,148,235	11.1
Sources of Income:				
Salaries and wages.....	1,644,572,655	1,818,588,323	174,015,668	10.6
Interest received.....	153,805,163	173,855,732	20,050,569	13.0
Dividends in adjusted gross income.....	48,556,703	49,396,478	839,775	1.7
State income tax refunds.....	5,729,452	7,015,658	1,286,206	22.4
Alimony received.....	2,310,546	2,565,956	255,410	11.0
Business or profession net profit less loss.....	60,359,154	69,915,552	9,556,398	15.8
Sales of capital assets net gain less loss.....	49,407,678	52,805,525	3,397,847	6.9
Sales of property other than capital assets net gain less loss.....	-1,180,217	1,503,693	323,476	27.4
Pensions and annuities in adjusted gross income.....	69,813,961	80,003,021	10,189,060	14.6
Rent net income less loss.....	-11,189,410	-14,126,240	-2,936,830	-26.2
Royalty net income less loss..	5,802,059	5,406,238	-395,821	-6.8
Farm rental net income less loss.....	2,040,236	1,474,784	-565,452	-27.7
Estate or trust net income less loss.....	6,528,688	6,952,127	423,439	6.5
Partnership net profit	-2,527,138	-2,313,853	213,285	8.4
Small Business Corporation net profit less loss.....	1,999,581	8,236,075	6,236,494	311.9
Credit/refund for overpayment of windfall profit tax.....	100,527	82,687	-17,840	-17.7
Deduction for windfall profit tax withheld.....	638,819	473,008	-165,811	-26.0
Farm net income less loss....	-9,294,484	-12,660,956	-3,366,472	-36.2
Unemployment compensation in adjusted gross income.....	7,110,645	6,032,433	-1,078,212	-15.2
Social security benefits in adjusted gross income.....	N/A	7,877,223	N/A	N/A
Other income less loss.....	-11,684,539	-14,696,681	-3,012,142	-25.8
Total statutory adjustments....	81,393,011	89,702,665	8,309,654	10.2
Total itemized deductions.....	309,633,773	356,427,100	46,793,327	15.1
Number of exemptions.....	234,390,944	241,493,051	7,102,107	3.0
Taxable income.....	1,544,872,497	1,714,704,713	169,832,216	11.0
Zero bracket amount.....	244,629,400	255,333,063	10,703,663	4.4
Income tax before credits.....	279,841,890	310,963,054	31,121,164	11.1
Total credits.....	8,190,737	8,901,812	711,075	8.7
Income tax after credits.....	271,651,153	302,061,242	30,410,089	11.2
Alternative minimum tax.....	2,520,954	1,889,861	-631,153	-25.0
Total income tax.....	274,181,323	303,969,892	29,788,569	10.9
Self-employment tax.....	7,802,257	9,776,272	1,974,015	25.3
Total tax liability.....	282,317,539	315,023,856	32,706,317	11.6

N/A - Not applicable.

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

Figure B.-- Selected 1984 Sources of Income and Percent Change from 1983

Income source	1984 Number of returns (thousands)	Percent change from 1983	1984 Amount (millions)	Percent change from 1983
	(1)	(2)	(3)	(4)
Wages and salaries.....	86,346	3.9%	\$1,818,588	10.6%
Interest.....	62,200	9.0	173,856	13.0
Dividends in AGI.....	14,155	6.2	49,396	1.7
Business or profession net profits less losses.....	11,229	5.1	69,916	15.8
Sales of capital assets net capital gains less losses.....	12,375	13.3	52,806	6.9
Pensions in AGI.....	11,573	14.35	80,003	14.6

NOTE: The total income less losses shown on individual income tax returns for 1984 amounted to \$2,247.5 billion; with total statutory adjustments of \$89.7 billion, AGI became \$2,157.8 billion. The six sources shown, which totaled \$2,244.6 billion, accounted for 99.9 percent of total income (less losses).

Payments to individual retirement arrangements (IRA's) accounted for 39.9 percent of total statutory adjustments claimed (see Figure C). A tax law change implemented in 1984 may have slightly reduced payments to IRA's by shortening the period during which taxpayers could contribute to their accounts (see Definitions and Tax Law Changes). For 1984, the number of returns with payments to IRA's increased by 12.8 percent to 15.4 million. The amount claimed rose by 11.6 percent to \$35.8 million. Of these 15.4 million returns on which taxpayers claimed payments for IRA's, 961 thousand were claimed on Forms 1040A.

More joint return filers used the two-earner married couple deduction than in previous years, because more couples had both spouses

employed. The number of returns with the two-earner married couple deduction increased by 7.8 percent, to 24.3 million returns. By taking advantage of this adjustment, individuals reduced their AGI's by \$22.6 billion.

ITEMIZED DEDUCTIONS

The number of returns with itemized deductions climbed by 8.5 percent, to 38.2 million for 1984. The amount of itemized deductions increased by 15.1 percent to \$356.4 billion.

The proportion of returns with itemized deductions continued to rise, to 38.4 percent. This percentage has increased every year since Tax Year 1979 (see Figure D). Increases in

Figure C.-- Selected 1984 Statutory Adjustments and Percent Change from 1983

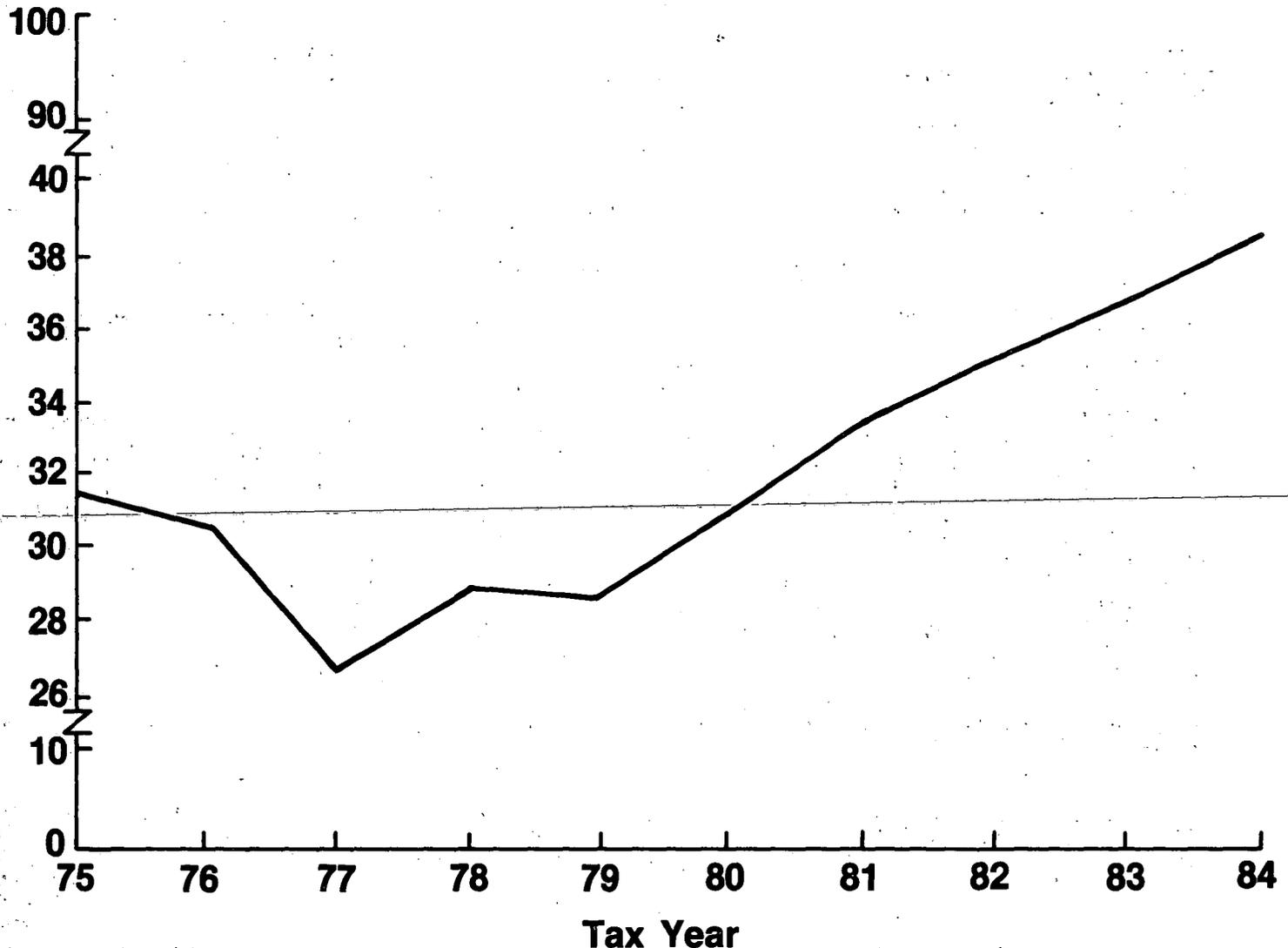
Statutory adjustments	1984 Number of returns (thousands)	Percent change from 1983	1984 Amount (millions)	Percent change from 1983
	(1)	(2)	(3)	(4)
Total.....	37,192	6.8%	\$89,703	10.2%
Employee business expense.....	7,521	1.8	18,778	5.3
Payments to an IRA.....	15,359	12.8	35,773	11.6
Two-earner married couple deduction....	24,320	7.8	22,602	14.4

NOTE: There were 10 statutory adjustments that could be made to income for Tax Year 1984. The three that are shown above accounted for 86.0 percent of the total. The remaining statutory adjustments included moving expense, forfeited interest penalty, alimony paid, disability income exclusion, foreign housing, and payments to a self-employed (Keogh) plan.

Figure D.

Percent of All Returns With Itemized Deductions

Percent of All Returns



average income and deductible expenditures, without a corresponding increase in the zero bracket amount, may have been factors causing more people to itemize their returns [5]. Between 1979 and 1984 the nominal zero bracket amounts were unchanged.

Medical and dental expenses increased at a higher rate than any other deduction (see Figure E). A change in the law made it somewhat easier for taxpayers to claim medical and dental expenses by allowing all purchases of prescription medicines and drugs to be combined with other medical expenses before the 5 percent limitation based on AGI was imposed (see

Definitions and Tax Law Changes in this article). For Tax Year 1984, 10.6 million returns showed \$21.3 billion in medical expenses.

Almost 58 percent of the \$16 billion increase in the taxes paid deduction resulted from increases in state and local income tax deductions. The balance of the increase was largely due to real estate tax deductions. Finally, interest expenses deducted rose 15.2 percent. This was partially a reflection of the larger amounts deducted for home mortgage interest payments.

Figure E.-- 1984 Itemized Deductions and Percent Change from 1983

Itemized deductions	1984 Number of returns (thousands)	Percent change from 1983	1984 Amount (millions)	Percent change from 1983
	(1)	(2)	(3)	(4)
Total.....	38,223	8.5%	\$356,427	15.1%
Medical and dental expense.....	10,628	9.3	21,349	18.1
Taxes paid.....	37,939	8.8	115,917	16.2
Interest paid	34,572	9.1	155,204	15.2
Contributions.....	34,680	8.3	42,420	12.6
Miscellaneous.....	31,550	9.0	20,740	6.7
Net casualty or theft losses.....	245	19.4	798	-19.5

INCOME TAX AND TAXABLE INCOME

Total income tax (the sum of income tax after credits and additional tax for tax preferences) increased by 10.9 percent from its 1983 level, the first increase since 1981. The decreases for 1982 and 1983 were the result of the tax rate cuts phased in by the Economic Recovery Tax Act of 1981. While the last of these cuts continued for 1984, tax rose, reflecting the 11 percent increases in both AGI and taxable income (see Figure F). The impact of the legislated tax rate reductions can be seen in the size of the average tax bill per return, which declined for all AGI classes, except those over \$1 million.

Figure F. -- Adjusted Gross Income, Taxable Income, and Total Income Tax, 1980-1984

[Billions of dollars]

Tax Year	Adjusted gross income	Taxable income	Total income tax
1980	\$1,614	\$1,280	\$250
1981	1,773	1,411	284
1982	1,852	1,473	278
1983	1,943	1,545	274
1984	2,158	1,715	304

The number of returns with "total income tax" reported rose from 78.0 million for Tax Year 1983 to 81.9 million for Tax Year 1984, an increase of 5.0 percent. The proportion of returns with total income tax had been increasing slowly since Tax Year 1977, and by 1984, these "taxable returns" represented 82.2 percent of all returns filed (see Figure G).

Figure G. -- Number of Returns Reporting Total Income Tax, 1977-1984

[Number of returns in millions]

Tax Year	Total returns	Returns reporting total income tax	Percentage of total
1977	86.6	64.4	74.4%
1978	89.8	68.7	76.5
1979	92.7	71.7	77.3
1980	93.9	73.9	78.7
1981	95.4	76.7	80.4
1982	95.3	77.0	80.8
1983	96.3	78.0	81.0
1984	99.6	81.9	82.2

TAX CREDITS

The total amount of tax credits claimed and the number of returns with credits increased from Tax Year 1983 to 1984. For 1984, about one fifth of the returns filed claimed tax credits; total tax credits claimed were \$8.9 billion. The two largest credits were the general business and child care credits; they accounted for 76.9 percent of the total amount of tax credits.

Figure H. -- Tax Credits, 1983 and 1984

[Millions of dollars]

Tax Year	Total tax credits	General business credit	Child care credit
1983.....	\$8,191	\$4,263	\$2,051
1984.....	8,902	4,183	2,665

(In Figure H, to facilitate comparison between 1983 and 1984, the general business credit was approximated for 1983 by adding the investment and jobs credits together. The alcohol fuels and employee stock ownership credits, the other components of the general business credit were not included for 1983.)

The amount of child care credit claimed increased significantly, from \$2.1 billion to \$2.7 billion. The increase was about equal to the increase in total tax credits. This credit has been available since Tax Year 1976. Prior to that time, any tax benefits accruing because of child care expenses were in the form of a deduction from income.

For Tax Year 1984, the investment credit, the largest credit for previous tax years, was not reported separately on Form 1040 (although it was reported separately in supporting schedules). Instead, a single line was used to report a general business credit, which was derived from the sum of the investment, jobs, employee stock ownership and alcohol fuels credit. Investment credit was still the largest component of the general business credit, making up 94.5 percent of the total. The amount of the total general business credit was almost the same for Tax Years 1983 and 1984.

FILING PATTERNS

The number of individual income tax returns filed for Tax Year 1984 reached an all time high of 99.6 million, a 3.4 percent increase over 1983. Use of Forms 1040 and 1040EZ continued to rise, while use of Form 1040A declined (See Figure I).

Figure I.--Number of Returns Filed, 1983 and 1984
[Number of returns in millions]

Type of return	Tax Year		Percentage change
	1983	1984	
Total	96.3	99.6	3.4%
Forms 1040	61.2	66.8	9.2
Forms 1040A	19.5	16.1	-17.2
Forms 1040EZ ...	15.7	16.7	6.5

SUMMARY

Changes reflecting an expanding economy accounted for increases in income from salaries and wages and the corresponding increase in AGI. Economic conditions also influenced growth in interest, business profits, dividends, and capital gains. Another factor contributing to AGI growth was the inclusion of \$7.9 billion of social security income, taxed

for the first time in 1984. At the same time, the growth in income resulted in an 10.9 percent increase in total income tax. In many respects, 1984 individual tax returns data showed a continuation of trends established in recent years: the proportion of nontaxable returns decreased, and the use of the Form 1040EZ grew.

DEFINITIONS AND TAX LAW CHANGES

In general, the definitions of the terms used here are the same as those shown in the complete report, Individual Income Tax Returns 1983.

Following is a partial list of 1984 tax law and administrative changes that are reflected in the preliminary data in this article. Changes are listed in the same order as the topics are presented in this article.

- Beginning with Tax Year 1984, a percentage of social security benefits (or tier 1 railroad retirement benefits) became taxable. The amount of benefits that had to be included in income was the lesser of half the benefits received for the year or half the excess of the taxpayer's modified AGI over a specified base amount. Modified adjusted gross income was the taxpayer's AGI plus the following:
 - 1) any tax-exempt interest,
 - 2) the two-earner married couple deduction,
 - 3) the foreign earned income exclusion and the foreign housing deduction and
 - 4) the exclusion for income from U.S. possessions and Puerto Rico.

The base amount that applied was \$25,000 for single persons, \$32,000 for married couples filing jointly, \$25,000 for married persons filing separately and not living with their spouse, and zero for married persons filing separately and living together.

- Beginning with Tax Year 1984 contributions to IRA's could no longer be made after the due date for filing a return. Previously taxpayers could make contributions to their IRA until the due date for filing their return including any extensions.
- The limit for excluding "reasonable" amounts of employer-provided foreign housing increased by \$263 to \$6,878 for 1984.

- For Tax Year 1983, taxpayers could only deduct expenditures for prescription and over-the-counter products, including vitamins and minerals recommended by a doctor, greater than 1 percent of their AGI. The 1 percent floor was removed for Tax Year 1984. Offsetting this, starting with 1984 only prescription medicines and drugs and insulin were deductible.
- Before Tax Year 1984, all casualty and theft losses exceeding \$100 were combined and only the portion of these losses in excess of 10 percent of AGI was deductible. For Tax Year 1984, casualty and theft gains were netted. The 10 percent casualty loss limitation still applied. However, net casualty and theft gains were treated as capital gains.
- Beginning with Tax Year 1984, taxpayers not itemizing their deductions could deduct up to \$75 (\$37.50 for married couples filing separately) for charitable contributions. For Tax Years 1982 and 1983, non-itemizing taxpayers could only deduct up to \$25 (\$12.50 for a married couple not filing a joint return).
- Features from the disability income exclusion and the credit for the elderly were combined into a new credit - the credit for the elderly and permanently and totally disabled. The following individuals qualified for the credit:
 - 1) taxpayers who were 65 or older, and
 - 2) taxpayers under 65 receiving taxable disability benefits who were retired on permanent and total disability and who had not reached the age for mandatory retirement. Prior law allowed taxpayers under 65 to claim the credit for the elderly if they received income from a public retirement system. For 1984, these individuals could only take the credit if they met the permanent and total disability requirement.
- Beginning with 1984, the investment credit, jobs credit, alcohol fuels credit, and employee stock ownership credit were combined into the general business credit. Separate limits based on tax liability and individual carryback and carryover provisions no longer applied to each credit. Instead, a single tax limit and carryback and carryover rule applied to the combined business credit.
- The 1984 Tax Table and Tax rate schedules reflected the final annual 10 percent tax cut mandated by the Economic Recovery Tax Act of 1981.

- "Income averaging" changed for Tax Year 1984. The base period was reduced from 4 years to 3. The base period encompasses the years closest to the current tax year. In order to "income average," taxpayers' current-year income had to exceed 140 percent of their average taxable income for the 3-year base period. Previously, taxpayers current income only had to exceed 120 percent of their average base period income.

DATA SOURCES AND LIMITATIONS

These preliminary statistics are based on a sample of individual income tax returns, Forms 1040, 1040A and 1040EZ, filed for Tax Year 1984. Returns in the sample were stratified based on the presence or absence of Schedule C, Profit (or Loss) from Business or Professions; Schedule F, Profit (or Loss) from Farms; the larger of total income or total loss, and the size of business plus farm receipts. For Tax Year 1984, returns were selected at rates ranging from 0.02 percent to 100 percent. There were 79,797 returns in the 1984 preliminary sample, estimating a total population of 99,604,975. The corresponding sample size and population for the preliminary 1983 data were 104,970 and 96,293,634, respectively. Sample size and population for the final 1983 data, referenced in this article, were 122,997 and 96,563,687, respectively.

Because the data presented in this article are estimates based on a sample of returns filed, they are subject to sampling error. To use properly 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.

The following table presents approximate coefficients of variation (CV's) for frequency estimates. The approximate CV's shown here are intended only as a general indication of the reliability of the data. For 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 sample estimates based on samples, are discussed in the Appendix.

Number of Returns	Approximate Coefficient of Variation
40,438,600	0.01
10,109,700	0.02
1,617,500	0.05
404,400	0.10
101,100	0.20
44,900	0.30
33,000	0.35
16,200	0.50

Individual Returns, 1984

These preliminary estimates are subject to several types of nonsampling reporting error. While the estimates are intended to represent the full year's taxpayer reporting, they are actually based on returns filed January through late September 1985. Returns filed after that (which were sampled for use in the revised estimates for the year) tend to have slightly different characteristics than those filed earlier. These characteristics include higher income, a larger proportion of investment income (such as 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 preliminary and final data for 1980 through 1983. The items selected include some for which the preliminary estimates are fairly close, and others for which the estimates vary considerably. For instance, for none of those years did the preliminary estimate for AGI differ from the final estimate by more than 0.05 percent, while the preliminary estimate for total minimum tax in 1980 was more than 35 percent lower than the final estimate. Items for which the change between 1983 and 1984 was less than the usual change between preliminary and final data are not discussed.

Figure J.--Comparison of Selected Preliminary and Revised Data, 1980-1983

[Millions of dollars]

Item	Adjusted gross income less deficit	Salaries and wages	Total tax liability	Sales of capital assets net gain less loss	Additional tax for tax preferences	Total itemized deductions
	(1)	(2)	(3)	(4)	(5)	(6)
1980						
Preliminary data.....	\$1,606,266	\$1,345,004	\$254,121	\$26,978	\$ 934	\$214,784
Revised data.....	1,613,731	1,349,843	256,251	29,660	1,263	218,028
Difference between preliminary and revised data.....	7,465	4,839	2,130	2,682	329	3,244
Percent change, preliminary and revised data.....	0.46%	0.36%	0.84%	9.94%	35.22%	1.51%
1981						
Preliminary data.....	\$1,779,359	\$1,489,234	\$292,724	\$29,281	\$1,617	\$255,371
Revised data.....	1,772,604	1,486,100	291,127	30,819	1,827	256,448
Difference between preliminary and revised data.....	-6,755	-3,134	-1,597	1,538	210	1,077
Percent change, preliminary and revised data.....	-0.38%	-0.21%	-0.55%	5.25%	12.99%	0.42%
1982						
Preliminary data.....	\$1,847,801	\$1,564,594	\$283,465	\$31,966	\$1,311	\$284,693
Revised data.....	1,852,135	1,564,995	284,708	34,404	1,520	284,506
Difference between preliminary and revised data.....	4,334	401	-1,243	2,438	209	-187
Percent change, preliminary and revised data.....	0.23%	0.03%	-0.44%	7.63%	15.94%	-0.07%
1983						
Preliminary data.....	\$1,950,788	\$1,651,744	\$283,875	\$45,457	\$1,939	\$307,054
Revised data.....	1,942,590	1,644,573	282,318	49,408	2,530	309,634
Difference between preliminary and revised data.....	-8,198	-7,171	-1,557	3,951	591	2,580
Percent change, preliminary and revised data.....	-0.42%	-0.43%	-0.55%	8.69%	30.48%	0.84%

NOTES AND REFERENCES

- [1] Preliminary 1984 data are compared with final 1983 data throughout this article. Final 1983 data were derived from a sample of all returns filed during Calendar Year 1984, and preliminary 1984 data were derived from a sample of returns filed January through late September 1985.
- [2] Executive Office of the President, Council of Economic Advisers, Economic Report of the President, p. 32. The growth of salaries and wages in AGI was determined by the size of the labor force and increases in salaries and wages. For Tax Year 1984, the former factor predominated.
- [3] U.S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review, Vol. 108, No. 9, September 1985, pp. 59 and 71. Also see Vol. 107, No. 8, p. 63.
- [4] Holik, Dan and Koziolec, John, "Taxpayers Age 65 or Over, 1977-1981," Statistics of Income Bulletin, Summer 1984, Vol. 4, No. 1, p. 4.
- [5] Waits, Norman, "Preliminary Income and Tax Statistics for 1981 Individual Income Tax Returns," Statistics of Income Bulletin, Winter 1982-83, Vol. 2, No. 3, p. 3.

Additional tables presenting preliminary data for 1984 will be included in the Spring 1986 issue of the SOI Bulletin.

Corporation Income Tax Returns, Preliminary Data, 1983

By Karen Gutmann*

Preliminary data from U.S. corporate tax returns for 1983 reflect a period of U.S. economic growth [1]. Improving business conditions pushed total corporate receipts from operations and investments up 1.1 percent. Costs and other deductible expenses increased by only 0.6 percent, resulting in a sharp increase in total net income (less deficit) of 20.9 percent over 1982. This article discusses significant changes in data between the 1982 and 1983 income years. Data will be compared for the number of returns filed as well as for the major components of the tax return: the income statement, the balance sheet, income tax assessed and tax credits claimed. A discussion of the data sources and limitations follows the text, and tables present detailed tax return data by industrial division and for the corporate population as a whole.

NUMBER OF RETURNS

There has been a slowdown in the number of corporation income tax returns filed in recent years. An estimated 3 million income tax returns of active corporations were filed for 1983, an increase of 2.5 percent over 1982. The average rate of growth for 1981, 1982 and 1983 was only slightly more than half that of the 4 preceding years (Figure A). The latter period saw a sharp slowdown in the chartering of new corporations, as well as a significant increase in the number of business failures [2]. In addition, a small contributing factor may be the continuing growth in the number of mergers and acquisitions of U.S. corporations. A recovering economy makes more cash and credit available to finance consolidation. In 1983, the number of completed mergers and acquisitions involving only U.S. companies (where a U.S.-owned corporation is purchased by or merged into another U.S.-owned corporation) rose 8.0 percent [3].

Figure A - Growth Rate of Returns Filed

Income Year	Number of returns	Percent change from previous year
1977.....	2,241,887	7.7%
1978.....	2,376,779	6.0
1979.....	2,556,794	7.6
1980.....	2,710,538	6.0
1981.....	2,812,420	3.8
1982.....	2,925,933	4.0
1983 (preliminary).	2,999,182	2.5

INCOME STATEMENT

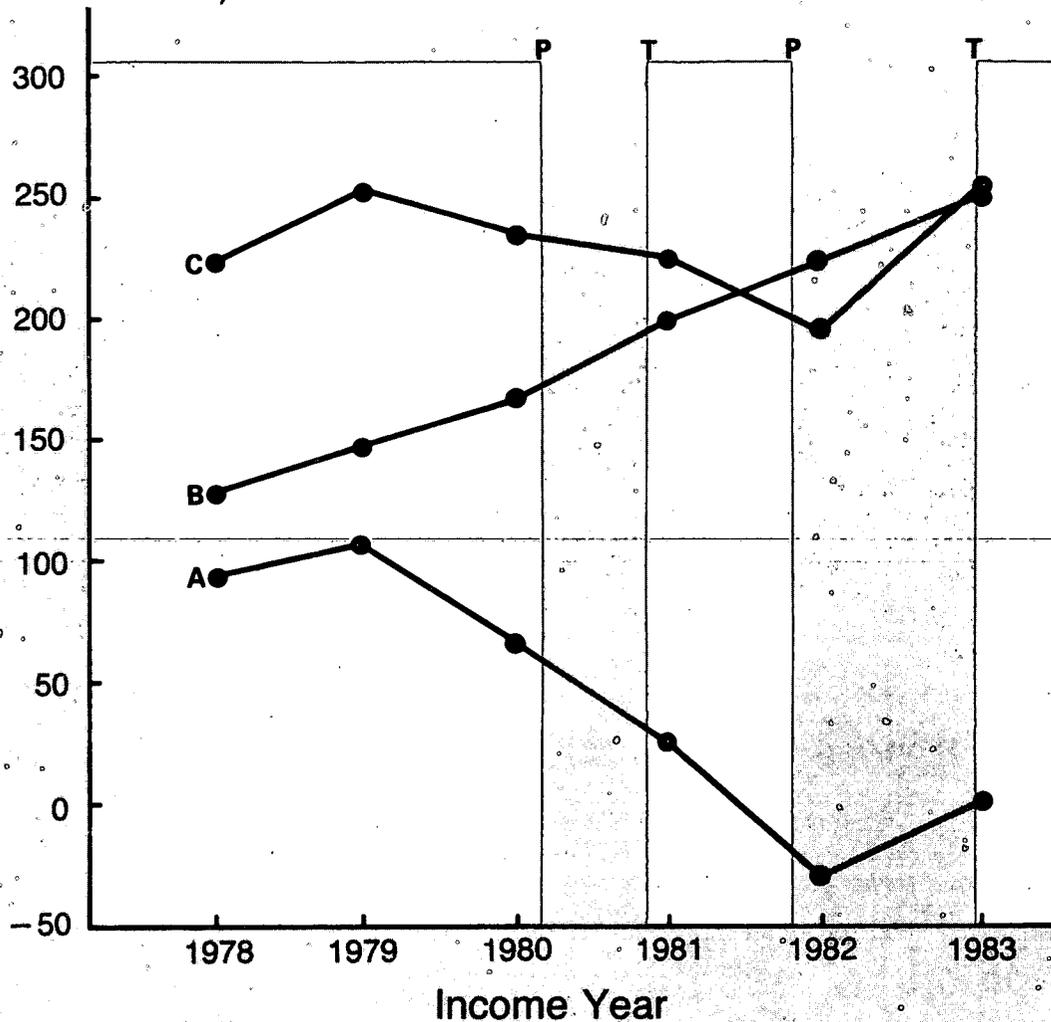
A 21 percent rise in corporate profits for 1983 reversed the downward trend that began with 1980. Figure B shows the movement of undistributed after-tax profits from 1978 to 1983 as well as other components of corporate cash flow [4]. It is noteworthy that deductions for non-cash expenses offset a net after-tax loss such that corporations still experienced a reasonably stable positive cash flow for 1982.

Despite the increase, however, net income was still almost \$27 billion below the 1981 level, part of which is due to larger depreciation deductions allowed after the 1981 enactment of the Economic Recovery Tax Act (ERTA). As the recovering economy renewed demand for goods and services, business receipts rose nearly \$150 billion, an increase of 2.4 percent. Interest income, on the other hand, decreased by approximately \$23 billion. This decrease was to be expected, with the average prime rate charged by banks on loans continuing its decline from a record 18.9 percent in 1981 to 14.9 percent in 1982 and 10.8 percent in 1983 [5].

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Figure B.
Corporate Profits and Cash Flow, Returns of Active Corporations, 1978-1983

(Billions of Dollars)



- A: Undistributed Corporate Profits After Tax
- B: Deductions for Non-Cash Expenses
- C: Corporate Cash Flow

Note: Business cycle peaks (P) and troughs (T) are turning points in economic activity, as designated by the National Bureau of Economic Research, Inc. Shaded areas represent recessions.

Also attributable in part to lower interest rates was a significant decrease to interest paid as a deductible expense. This item declined by \$42 billion between 1982 and 1983, an 8.2 percent drop. At the same time, the Accelerated Cost Recovery System for depreciation (ACRS), introduced by ERTA and modified in 1982, continued to exert a downward pressure on the net income computed for tax purposes by contributing to a depreciation deduction that was \$27 billion higher for 1983 than for 1982 [6]. Corporate cost of sales and operations and deductions for compensation paid to corporate officers together increased \$24 billion. In combination, the lower interest write-off offset these changes such that total corporate deductible expenses rose only 0.6 percent.

While profits rose sharply overall, the change to net income varied widely by industrial activity. Figure C shows that significant growth in net income for the three largest industry groupings (manufacturing, trade and finance) offset the decline in net income experienced in all but one of the remaining five.

BALANCE SHEET

For the first time, total assets as reported on tax returns passed the \$10 trillion mark, an increase of nearly \$800 billion over 1982. This 8.5 percent increase was smaller than the 9.4 percent increase of the previous year. "Other current liabilities" contributed the most change to corporate debt with an increase of nearly \$280 billion. Ninety percent of this rise came from banks and credit institutions which typically include deposits and withdrawable shares in this category.

Assets rose by a greater amount than did liabilities, thus increasing stockholders' equity. As business activity accelerated in 1983, corporate receivables grew by nearly \$250 billion, accounting for a large portion of asset growth. More than 70 percent of receivables growth was in the finance industries, indicating an increase in business and consumer indebtedness. Spurred on by accelerated depreciation and the more generous investment credit provisions allowed by ERTA, corporations continued to add to their physical capital. This is reflected in the net increase in depreciable assets of nearly \$140 billion.

Another asset item of interest is inventories. In 1983, ending inventories rose 2.7 percent after a 1.2 percent decline in 1982. Figure D shows inventory change for corporations engaged primarily in manufacturing and trade. These two activities together accounted for 84.6 percent of total ending inventories in 1983. In the recessionary period that ended in late 1982, declining sales meant that corporations were unable to move current inventory and, accordingly, they reduced their purchases of new inventory. Between 1981 and 1982, both inventories and business receipts decreased by about the same percentage. With the onset of the recovery in early 1983, current inventory was depleted, spurring new inventory purchases. As a result of an encouraging economic outlook, inventory growth began to outpace somewhat that of sales between 1982 and 1983.

Corporate debt as a percentage of total assets rose slightly from 73.6 to 74.1 percent, reversing a decline begun in 1981 when the debt ratio fell to 73.7 percent from the 1980 level of 75.0. The debt ratio measures the

Figure C - Net Income (Less Deficit), 1982 and 1983
[Millions of dollars]

Industrial division	1982	1983 (preliminary)	Percent change
	(1)	(2)		(3)
All industries ¹	\$154,334.1	\$186,640.7	20.9%
Agriculture, forestry and fishing.....	-86.4	-197.9	-129.0
Mining.....	543.6	-1,538.8	-383.1
Construction.....	2,324.0	2,256.3	-2.9
Manufacturing.....	75,791.3	94,814.5	25.1
Transportation and public utilities.....	18,336.0	19,476.8	6.2
Wholesale and retail trade.....	28,442.7	34,984.8	23.0
Finance, insurance and real estate.....	21,804.1	31,557.5	44.7
Services.....	7,199.3	6,087.6	-15.4

¹Includes "nature of business not allocable," which was not shown separately.

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

Figure D.--Change in Inventories, 1982 to 1983
[Billions of dollars]

Industry	Ending inventories		
	1982	1983	Percent change
	(1)	(2)	(3)
All industries....	\$581.2	\$596.7	2.7%
Manufacturing.....	274.6	268.6	-2.2
Wholesale and retail trade.....	214.8	236.5	10.1

percentage of total funds provided by creditors. Generally, a lower debt ratio is considered desirable since the lower the ratio, the more easily a company would be able to absorb decreases to net income. Another important financial ratio is the current ratio, which is computed by dividing current assets by current liabilities. This ratio indicates the ability of corporations to cover short-term debts. For 1982 and 1983, the ratio of current assets to current liabilities remained nearly constant at just less than 1:1 [7].

INCOME TAX AND TAX CREDITS

For 1983, income tax (before credits) rose 5.6 percent to almost \$90 billion in contrast to the 15.5 percent decrease recorded for 1982. Total income tax credits increased by only 1 percent. The combined effect of these two factors was a 9.4 percent increase in Federal income tax after credits. Despite the increase in income tax liability, after-tax corporate profits increased approximately 26 percent.

The method for computing corporate income tax remained essentially the same as in recent years. The regular corporate tax rate was 46 percent of taxable income above \$100,000. The first \$100,000 of taxable income was taxed as follows:

- \$25,000 or less at 15 percent;
- \$25,001 to \$50,000 at 18 percent;
- \$50,001 to \$75,000 at 30 percent; and
- \$75,001 to \$100,000 at 40 percent.

As in previous years, when corporations reported net long-term capital gains, they had the option of using the regular method described above or an alternative method, whichever produced the lesser amount of tax owed. The alternative method pulled net long-term capital gains out of taxable income and taxed them separately at a special rate of 28 percent. The rest of taxable income was taxed at the rates stated above. Income tax credits were applied against the corporation's

regular or alternative tax. Additional tax from recomputing prior-year investment credit, additional tax from tax preferences and the personal holding company tax were not reduced by these credits.

ERTA allowed corporations to take a credit based on contributions to an employee stock ownership plan, effective for tax years ending after 1982. This new credit reduced regular and alternative tax by nearly \$900 million for 1983. The jobs and research activities credits increased at significant rates, but the absolute increases involved were relatively small (\$117 million and \$431 million, respectively). Investment credit, one of the largest single credits, decreased by \$1.4 billion continuing a decline begun in 1982. However, an \$800 million increase in the largest credit, the foreign tax credit, as well as increases to all but one of the other credits, largely offset this drop.

SUMMARY

The economic recovery begun in 1983 sharply reversed the downward trend in corporate income and profits that began in 1979. The 21 percent rise in total net income and improvements in indicators of corporate financial strength are signs of a recovering economy. However, immediate response to the economic turnaround of 1983 varied widely by industry, with corporations involved in manufacturing, trade and finance showing the greatest improvements. As corporate profits rose, total corporate income tax increased more than 9 percent.

DATA SOURCES AND LIMITATIONS

These preliminary statistics are based on a sample of the following types of corporation income tax returns: Form 1120--U.S. Corporation Income Tax Return; Form 1120L--U.S. Life Insurance Company Income Tax Return; Form 1120M--U.S. Mutual Insurance Company Income Tax Return; Form 1120S--U.S. Small Business Corporation Income Tax Return; Form 1120F--Return of a Foreign Corporation; and Form 1120-DISC--Domestic International Sales Corporation Return. The sample was selected after revenue processing but before audit. Both 1982 and 1983 returns were generally stratified using net income or loss, total assets and business activity. For Tax Year 1983, returns of corporations with accounting periods ended July 1983 through June 1984 were selected at rates ranging from 0.35 to 100 percent. There were 90,191 returns in the 1983 preliminary sample, estimating a total population of 2,999,182. The corresponding sample size and population for the preliminary 1982 data were 93,668 and 2,925,939, respectively. Sample size and population for the revised 1982 data referred to in this article were 93,675 and 2,925,933, respectively.

Because the data presented in this article are estimates based on a sample, they are subject to sampling error. To use the data properly, the magnitude of the sampling error should be known. Coefficients of variation are used to measure that magnitude.

The following table presents approximate coefficients of variation for frequency estimates. The coefficients of variation shown here are intended only as a general indication of the data reliability. For numbers of corporations other than those shown below, the corresponding coefficients of variation can be estimated by interpolation. The reliability and use of estimates based on samples and the use of coefficients of variation for evaluating the precision of sample estimates are discussed in the Appendix.

<u>Estimated number of returns</u>	<u>Approximate coefficient of variation</u>
1,000,000	0.02
160,000	0.05
40,000	0.10
10,000	0.20
4,500	0.30
3,300	0.35
1,600	0.50

The preliminary estimates used in this article are also subject to nonsampling error. Preliminary data were drawn from sampled returns processed through December 1985. Returns processed after this date will be reflected in the final statistics to be published later in 1986. In addition, as this article goes to print, a thorough review of the data is in process. Errors will be uncovered and corrected during this review, but the corrections cannot be generalized to predict the differences between the complete data and this preliminary report. Although added returns from late corporate filers will tend to increase aggregate amounts, corrections made in review may cause either a net increase or decrease in individual items. Figure E illustrates the changes between key preliminary and revised data for the 1982 Statistics of Income report, but these figures should be used with caution because of the anomalies discussed above.

NOTES AND REFERENCES

- [1] The estimates in this report are based on data from returns with accounting periods ending from July 1983 through June 1984. This span, in effect, defines the income year such that noncalendar year accounting periods are centered on the calendar year ended December.
- [2] Executive Office of the President, Council of Economic Advisers, Economic Report of the President, February 1985, p. 337.

Figure E --Returns of Active Corporations: Comparison of Selected 1982 Preliminary and Final Estimates
[Millions of dollars]

Item	1982 preliminary data	1982 final data	Difference	Percent difference 1982 preliminary and final data
	(1)	(2)	(3)	(4)
Total assets.....	\$9,337,313	\$9,357,785	+\$20,472	+0.22%
Depreciable assets.....	2,580,236	2,583,060	+2,824	+0.11
Business receipts.....	6,147,176	6,156,994	+9,818	+0.16
Depreciation deduction.....	212,857	213,179	+322	+0.15
Net income (less deficit).....	151,127	154,334	+3,207	+2.12
Income subject to tax.....	205,035	205,175	+140	+0.07
Income tax before credits.....	85,002	85,078	+76	+0.09
Income tax credits, total.....	39,660	39,694	+34	+0.09

[3] The number of completed domestic mergers rose from 1,960 in 1982 to 2,125 in 1983. The Hay Group, Information for Industry, Mergers and Acquisitions, The Journal of Corporate Venture, 1984 Almanac and Index, pp. 5-6.

[4] The amounts in Figure B were computed as follows:

A: Undistributed corporate profits after tax equals net income (less deficit), minus income tax after credits, plus foreign tax credits, minus cash distributions to stockholders. Foreign tax credits are based on tax paid to foreign countries. Since foreign income and taxes are not included in this computation, neither are foreign tax credits. Cash distributions to stockholders are reported from the corporations' book accounts on Schedule M-2 of the tax return. Corporations which show a net loss on their tax

return may show a net gain on their books and may pay dividends.

B: Deductions for non-cash expenses equals the sum of the deductions for depreciation, depletion and amortization.

C: Corporate cash flow equals undistributed corporate profits after tax plus deductions for non-cash expenses (A + B).

[5] Executive Office of the President, Council of Economic Advisers, Economic Report of the President, February 1984, pp. 298-299.

[6] See Johns, Max, "Accelerated Cost Recovery System, 1981: A Reading on the Initial Impact," Statistics of Income and Related Administrative Record Research: 1984, October 1984, pp. 71-77.

[7] For more detailed financial ratios using tax data, see Troy, Leo, Almanac of Business and Industrial Financial Ratios, 1978 through 1985 editions.

Table 1.--Returns of Active Corporations: Selected Items by Industrial Division, 1983 Preliminary Data

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

Item	1982	1983 Preliminary	Percent Change
	(1)	(2)	(3)
All Industries¹			
Number of returns.....	2,925,933	2,999,182	2.5
Total assets.....	9,357,784,804	10,156,377,797	8.5
Total receipts.....	7,024,097,766	7,098,621,182	1.1
Business receipts.....	6,156,994,009	6,303,043,003	2.4
Net income (less deficit).....	154,334,143	186,640,724	20.9
Income subject to tax.....	205,175,407	217,006,471	5.8
Income tax before credits.....	85,077,493	89,802,226	5.6
Income tax after credits ²	47,071,799	51,421,975	9.2
Agriculture, forestry and fishing			
Number of returns.....	91,320	92,154	0.9
Total assets.....	50,409,537	50,218,935	-0.4
Total receipts.....	65,356,911	59,103,515	-10.0
Business receipts.....	60,643,550	55,008,884	-9.3
Net income (less deficit).....	-86,418	-197,924	-129.0
Income subject to tax.....	1,604,445	1,464,070	-8.7
Income tax before credits.....	490,228	417,388	-14.9
Income tax after credits ²	375,348	312,484	-16.7
Mining			
Number of returns.....	36,676	36,999	0.9
Total assets.....	192,380,473	193,040,341	0.3
Total receipts.....	203,098,557	131,936,756	-35.0
Business receipts.....	191,152,749	122,091,351	-36.1
Net income (less deficit).....	543,578	-1,538,758	-383.1
Income subject to tax.....	7,319,683	4,608,875	-37.0
Income tax before credits.....	3,203,406	1,974,829	-38.4
Income tax after credits ²	1,044,031	714,633	-31.6
Construction			
Number of returns.....	282,345	283,344	0.4
Total assets.....	153,085,046	160,919,019	5.1
Total receipts.....	281,747,868	290,108,368	3.0
Business receipts.....	271,633,721	280,230,939	3.2
Net income (less deficit).....	2,323,952	2,256,274	-2.9
Income subject to tax.....	5,973,416	5,486,120	-8.2
Income tax before credits.....	2,069,718	1,788,973	-13.6
Income tax after credits ²	1,583,063	1,385,540	-12.5
Manufacturing			
Number of returns.....	259,106	261,818	1.0
Total assets.....	2,060,710,683	2,223,229,574	7.9
Total receipts.....	2,488,331,915	2,530,955,902	1.7
Business receipts.....	2,357,973,059	2,396,538,375	1.6
Net income (less deficit).....	75,791,264	94,814,467	25.1
Income subject to tax.....	102,157,505	112,901,621	10.5
Income tax before credits.....	45,015,096	49,857,937	10.8
Income tax after credits ²	21,625,905	24,718,845	14.3

Corporation Returns, 1983

Table 1.--Returns of Active Corporations: Selected Items by Industrial Division, 1983-Preliminary Data--Continued

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

Item	1982	1983 Preliminary	Percent Change
	(1)	(2)	(3)
Transportation and public utilities			
Number of returns.....	115,470	122,551	6.1
Total assets.....	919,861,069	998,290,736	8.5
Total receipts.....	632,294,442	656,842,704	3.9
Business receipts.....	606,039,657	627,292,051	3.5
Net income (less deficit).....	18,335,959	19,476,807	6.2
Income subject to tax.....	25,955,886	25,580,815	-1.4
Income tax before credits.....	11,356,073	11,287,931	-0.6
Income tax after credits ²	4,918,681	5,411,853	10.0
Wholesale and retail trade			
Number of returns.....	839,547	851,951	1.5
Total assets.....	753,351,132	799,939,532	6.2
Total receipts.....	2,017,701,364	2,110,203,691	4.6
Business receipts.....	1,972,305,356	2,062,267,205	4.6
Net income (less deficit).....	28,442,678	34,984,828	23.0
Income subject to tax.....	30,107,072	33,249,446	10.4
Income tax before credits.....	11,372,087	12,614,904	10.9
Income tax after credits ²	9,385,787	10,551,382	12.4
Finance, insurance, and real estate			
Number of returns.....	461,630	479,501	3.9
Total assets.....	4,987,466,401	5,460,978,707	9.5
Total receipts.....	949,867,877	900,133,315	-5.2
Business receipts.....	337,493,098	362,219,037	7.3
Net income (less deficit).....	21,804,088	31,557,470	44.7
Income subject to tax.....	19,973,233	22,406,865	12.2
Income tax before credits.....	7,643,631	8,334,625	9.0
Income tax after credits ²	5,485,777	5,667,118	3.3
Services			
Number of returns.....	819,706	848,829	3.6
Total assets.....	237,876,895	269,350,718	13.2
Total receipts.....	380,767,394	416,009,599	9.3
Business receipts.....	355,090,610	391,617,540	10.3
Net income (less deficit).....	7,199,258	6,087,564	-15.4
Income subject to tax.....	11,941,166	11,794,121	-5.7
Income tax before credits.....	3,885,618	3,665,426	-5.7
Income tax after credits ²	2,617,453	2,665,404	1.8

¹Includes "nature of business not allocable," which was not shown separately.²Income tax after credits is computed as follows: Income tax before credits less total tax credits, plus additional taxes for investment credit recapture and minimum tax.

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

Table 2.--Returns of Active Corporations: Balance Sheet, Income Statement, Tax, and Credit Items, 1982 and 1983 (Preliminary)

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

Item	1982	1983 Preliminary	Percent change 1982 to 1983
	(1)	(2)	(3)
1 Number of returns	2,925,933	2,999,182	2.5
2 Total assets	9,357,784,804	10,156,377,797	8.5
3 Cash	540,903,600	590,463,551	9.2
4 Notes and accounts receivable	2,420,475,398	2,662,723,763	10.0
5 Less: Allowance for bad debts	46,645,987	50,898,922	9.1
6 Inventories	581,241,455	596,712,953	2.7
7 Investments in Government obligations, total ¹	605,513,662	679,046,104	12.1
8 Other current assets	436,507,859	425,953,279	-2.4
9 Loans to stockholders	38,304,326	47,880,279	25.0
10 Mortgage and real estate	942,428,269	980,115,442	4.0
11 Other investments	1,604,730,616	1,794,157,159	11.8
12 Depreciable assets	2,583,060,326	2,719,893,488	5.3
13 Less: Accumulated depreciation	942,704,683	1,020,709,911	8.3
14 Depletable assets	94,637,768	108,229,391	14.4
15 Less: Accumulated depletion	29,442,570	32,825,691	11.5
16 Land	110,318,941	118,831,605	7.7
17 Intangible assets (amortizable)	81,178,989	87,366,441	7.6
18 Less: Accumulated amortization	24,869,273	24,959,000	0.4
19 Other assets	362,146,111	474,397,869	31.0
20 Total liabilities and net worth	9,357,784,804	10,156,377,797	8.5
21 Accounts payable	678,630,282	658,292,750	-3.0
22 Mortgages, notes, and bonds payable in less than one year	667,060,956	756,408,956	13.4
23 Other current liabilities	3,220,923,530	3,499,858,998	8.7
24 Loans from stockholders	117,424,462	130,157,946	10.8
25 Mortgages, notes, and bonds payable in one year or more	1,224,277,725	1,318,711,255	7.7
26 Other liabilities	979,894,871	1,158,862,277	18.3
27 Capital stock	658,259,634	785,968,507	19.4
28 Paid-in or capital surplus	782,269,156	870,384,560	11.3
29 Retained earnings, appropriated	54,727,615	52,670,222	-3.8
30 Retained earnings, unappropriated	1,173,094,293	1,214,409,168	3.5
31 Less: Cost of treasury stock	198,777,714	289,346,839	45.6
32 Total receipts	7,024,097,766	7,098,621,182	1.1
33 Business receipts	6,156,994,009	6,303,043,003	2.4
34 Interest on Government obligations: State and local	14,124,877	16,631,821	17.7
35 Other interest	515,628,874	492,401,824	-4.5
36 Rents	69,614,109	69,388,063	-0.3
37 Royalties	13,473,404	13,820,138	2.6
38 Net short-term capital gain reduced by net long-term capital loss	2,882,207	5,033,196	74.6
39 Net long-term capital gain reduced by net short-term capital loss	26,318,184	33,327,922	26.6
40 Net gain, noncapital assets	20,992,023	25,991,002	23.8
41 Dividends received from domestic corporations	18,155,559	19,624,947	8.1
42 Dividends received from foreign corporations	13,950,906	14,173,440	1.6
43 Other receipts	171,999,616	103,149,031	-40.0
44 Total deductions	6,869,267,462	6,910,246,197	0.6
45 Cost of sales and operations	4,270,850,310	4,283,308,833	0.3

Table 2.--Returns of Active Corporations: Balance Sheet, Income Statement, Tax, and Credit Items, 1982 and 1983 (Preliminary)--Continued

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

Item	1982	1983 Preliminary	Percent change 1982 to 1983
	(1)	(2)	(3)
Total receipts (continued)			
46 Compensation of officers	129,481,025	140,954,711	8.9
47 Repairs	72,524,061	74,452,237	2.7
48 Bad debts	26,690,963	30,407,762	13.9
49 Rent paid on business property	94,917,540	104,361,065	9.9
50 Taxes paid	165,888,353	172,712,924	4.1
51 Interest paid	515,032,667	473,061,575	-8.2
52 Contributions or gifts	2,906,476	3,538,892	21.8
53 Amortization	3,784,654	4,493,831	18.7
54 Depreciation	213,179,160	240,591,603	12.9
55 Depletion	7,021,176	7,556,992	7.6
56 Advertising	64,987,632	72,067,521	10.9
57 Pension, profit-sharing, stock bonus, and annuity plans	54,232,011	54,001,098	-0.4
58 Employee benefit programs	51,838,884	58,662,414	13.2
59 Net loss, noncapital assets	10,367,020	7,566,330	-27.0
60 Other deductions	1,185,565,538	1,182,508,415	-0.3
61 Total receipts less total deductions	154,830,304	188,374,986	21.7
62 Constructive taxable income from related foreign corporations	13,628,716	14,897,558	9.3
63 Net income (less deficit), total	154,334,143	186,640,724	20.9
64 Net income	274,352,942	294,957,060	7.5
65 Deficit	120,018,799	108,316,336	-9.8
66 Statutory special deductions, total	19,527,353	27,367,240	40.1
67 Net operating loss deduction	11,385,921	18,092,563	59.3
68 Dividends-received deduction	8,105,493	9,232,629	13.9
69 Public utility dividends-paid deduction.....	35,939	42,048	17.0
70 Income subject to tax, total	205,175,407	217,006,471	5.8
71 Net long-term capital gain taxed at alternative rates	12,025,442	13,973,999	16.2
72 Income tax before credits ²	85,077,493	89,802,226	5.6
73 Tax credits, total ³	39,665,225	40,110,177	1.1
74 Foreign tax credit	19,137,201	19,943,868	4.2
75 U.S. possessions tax credit ⁴	2,026,980	1,599,827	-21.1
76 Investment credit	17,312,702	15,912,964	-8.1
77 Jobs credit	327,285	444,235	35.7
78 Research credit	839,220	1,270,588	51.4
79 Employee stock ownership credit	14,450	898,711	6,119.5
80 Income tax after credits	45,412,268	49,692,049	9.4
81 Tax from recomputing prior-year investment credit	1,181,074	1,169,849	-1.0
82 Additional tax for tax preferences	478,457	560,077	17.1
83 Personal holding company tax	6,802	6,182	-9.1
84 Total income tax after credits ⁵	47,078,601	51,428,157	9.2
Distributions to stockholders:			
85 Cash and property except in own stock	132,478,411	129,005,634	-2.6
86 Corporation's own stock	3,642,024	4,779,636	31.2

¹Includes all investments in United States, State and local government obligations.

²Consists of regular and alternative tax.

³Includes \$600,000 and \$7,005,000 of alcohol fuel credit and \$6,787,000 and \$32,980,000 of nonconventional source fuel credit for 1982 and 1983, respectively.

⁴The 1983 preliminary amount for this item is significantly understated because of returns that are to be added. More accurate data will be available in the Spring 1986 issue of the Statistics of Income Bulletin.

⁵Total income tax after credits is computed as follows: Income tax before credits less total tax credits, plus additional tax for tax preferences, tax from recomputing prior-year investment credit and personal holding company tax.

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

Nonprofit Charitable Organizations, 1982

By Laura M. Heuchan*

In 1982, nonprofit charitable organizations reported total revenues of \$196.3 billion, 21 percent of which was obtained from contributions, gifts, and grants. Total expenditures were \$181.3 billion, with direct spending for charitable services accounting for 84 percent of that total. They collected fees for services (program service revenue) covering 82 percent of program expenses. These fees were supplemented by other sources of income, such as contributions and investment earnings.

"Nonprofit charitable organizations" refer to all organizations exempt under Internal Revenue Code (IRC) 501(c)(3), excluding private foundations. In 1982, of 264,890 organizations recognized by the Internal Revenue Service as nonprofit charities, there were only an estimated 75,738 required filers. The population of nonprofit charitable organizations required to file annual information returns (Form 990) has decreased since 1975 [1]. Nonetheless, the value of total asset holdings has increased by \$171.1 billion since 1975 for a current dollar increase of 158 percent. A similar growth in revenues and expenses is evident, as shown in Figure A [2].

There are numerous explanations for the simultaneous drop in the population of filers and the marked growth in the aggregate statistics. The primary reasons for the drop in filers are the changes in filing requirements between 1975 and 1982. In 1975, an organization was granted an exemption from filing if its gross receipts were less than \$5,000; this level was raised to \$10,000 in 1976 and to \$25,000 in 1982. A characteristic of the sector has always been the concentration of financial resources among a small number of organizations. For example, 6 percent of all nonprofit charitable organizations controlled 81 percent of total assets in 1982. An uneven distribution of resources across organizations was further evidenced by the concentration of 75 percent of revenues in 4 percent of the institutions. In addition, 6 percent of the organizations were responsible for 74 percent of total expenditures. With respect to assets, revenue, and expenses, the controlling organizations were in the top

Figure A.--Nonprofit Charitable Organizations, 1975 and 1982

[Money amounts are in billions of dollars]

Item	1975	1982
Number of returns.....	82,048	75,738
Total assets.....	\$108.5	\$279.6
Total revenue.....	65.5	196.3
Contributions, gifts, and grants.....	17.1	41.3
Dues and assessments.....	1.5	2.5
Program service revenue.....	n.a.	124.4
Total expenses.....	62.6	181.3
Program service expenses....	36.8	151.7
Fundraising expenses.....	1.4	1.7
Management and general expenses	n.a.	27.4

n.a. Not available.

For more detail, see Table 1.

Source: For 1975, data are from Statistics of Income Bulletin, Fall 1981, p. 10.

bracket and were predominantly educational institutions and health service providers as shown in Figures B and C. Any significant growth or shrinkage affecting the very large organizations would have had a pronounced effect on aggregate statistics. Reduced Federal spending for nondefense goods may have been a factor in this growth since this may have resulted in unmet demand for services such as health care and education [3]. The cutback in spending for health and education may have stimulated growth in the nonprofit sector, especially in the larger hospitals and schools, to fill this gap. Additionally, the percentage of persons below the poverty level rose from 12.3 percent in 1975 to 15.0 percent in 1982, and the possible increase in need from this portion of the population for charitable goods and services may have influenced the level of charitable activity provided by exempt organizations [4].

*Foreign Special Projects Section. Prepared under the direction of Michael Alexander, Chief.

Figure B

Top Ten 501(c)(3) Organizations Ranked by Total Revenue, 1982

[Money amounts are in millions]

Name	Total Revenue
College Retirement Equities Fund	\$4,631
Teachers Insurance and Annuity Association of America	3,351
Kaiser Foundation Health Plan	2,116
Harvard College	1,342
Kaiser Foundation Hospitals	1,123
University of Chicago	745
American National Red Cross	722
Sisters of Mercy Health Corporation	718
Massachusetts Institute of Technology	692
Stanford University	664

Figure C

Top Ten 501(c)(3) Organizations Ranked by Total Assets, 1982

[Money amounts are in millions]

Name	Total Assets
Teachers Insurance and Annuity Association of America	\$13,519
College Retirement Equities Fund	12,821
Harvard College	3,326
Yale University	1,836
Stanford University	1,727
Princeton University	1,415
Shriners Hospital for Crippled Children	1,273
University of Rochester	1,127
University of Chicago	1,068
Duke University	986

PROVISIONS OF IRC 501(c)(3)

Organizations tax exempt under IRC 501(c)(3) pursue diverse activities that further their exempt purpose. They exist in many sectors of the economy. IRC 501(c)(3) status is typically granted based on an entity being organized for purposes that are religious, charitable, scientific, educational, testing for public safety, etc. Charitable means that the services provided by the organization are pro bono publico (for the public benefit). The granting of exempt status is based solely on an organization's charitable purpose. Activities engaged in are restricted only in that they must be substantially related to the exempt purpose and they must serve public interests as opposed to private. There is also a stipulation that net earnings may not flow to a private shareholder or individual, and there are restrictions on activities to influence legislation.

Numerous benefits accrue to organizations that obtain 501(c)(3) status. Among the inducements for seeking this classification are the exemption from Federal income tax on income earned while pursuing an exempt purpose, the exemption from most state and local income and real estate taxes, the exemption from the federal unemployment tax, the selective exemption from excise taxes, and significantly reduced postage rates. The flow of private funds to these organizations is promoted by the statute allowing contributions to be deducted in calculating the taxable income of the donor. For instance, the 1982 law allowed up to 50 percent of an individual's adjusted gross income as a charitable deduction. Federal corporate, gift, fiduciary, and estate tax laws also allow charitable contribution deductions.

Along with other tax-exempt organizations, charitable organizations are subject to the unrelated business income tax on net profits from regularly carried on business operations that are not substantially related to their exempt charitable purposes.

Definition and Growth of the Nonprofit Charitable Sector

The supply of, and demand for, philanthropic goods and services are usually discussed in terms of incentives or motives that influence giving as well as the purpose of the giving. It is generally accepted that at least one component in philanthropic giving is altruism and that the purpose of philanthropy is the provision of some collective or public good [5]. In this context, altruism exists when there is not an expectation of an immediate quid pro quo (one thing in return for another) to the individual giver. The providers of philanthropic goods and services function in all three sectors of the economy: the business sector, the government sector, and the non-profit sector.

The Internal Revenue Code (IRC) divides nonprofit organizations into 23 groups, of which a number may receive tax-deductible charitable donations. The organizations exempt from income tax under IRC 501(c)(3) receive the largest part of tax-deductible donations; and they are the main suppliers of philanthropic goods and services. The data described here reflect only 501(c)(3) charitable organizations, excluding private foundations. For 1975, when all nonprofit organizations were measured, 501(c)(3) organizations (excluding private foundations) represented 37 percent of the total. (In general, private foundations act as conduits for philanthropic funds, whereas nonprofit charitable organizations actually provide charitable goods and services.)

Charitable organizations must file on Form 990 if they have gross receipts more than

\$25,000 (religious organizations are not required to file). They are diverse in scale of financial activity as well as in scope of purpose. They include hospitals, universities, research institutes, art museums and other charitable organizations. While the estimates presented here do not include most religious organizations or those organizations not required to file, they do cover the largest part of charitable activity with respect to asset holdings and revenues.

Growth of nonprofit charitable organizations both absolutely and relatively is shown in Figure D.

Total revenue and expenditures grew faster than total assets, which means nonprofit charities have expanded their charitable activity rather than added to capital assets. Revenue and expenditures all grew faster than GNP (see Figure D). Charitable activity rose much faster than per capita income.

The growth of the nonprofit charitable sector as indicated by the percentage increases shown in Figure D could reflect the increasing shift of the overall economy from a manufacturing to a service industry base. Service industries such as education, health services, and social services are relatively labor intensive and are the dominant activities within the charitable sector (see Figures H and I). With the service industry assuming a larger role in the U.S. economy relative to manufacturing and agriculture, it is reasonable that charitable activity would experience growth [8].

Historical Trends and Perception of Charitable Activity Up to 1982

Government policy toward philanthropy represents public sentiment as expressed through the legislative process. Growth of the sector has been stimulated by favorable legislation.

Traditionally, from the earliest days of this country, religious and educational institutions have been exempt from property taxation. When Federal income tax laws were adopted in 1894 (subsequently declared unconstitutional in 1895), organizations pursuing charitable, religious or educational purposes were granted exempt status. The Sixteenth Amendment to the Constitution allowed the first constitutional income tax law in 1913 and contained the rudiments of IRC 501(c)(3).

The provision for an income tax deduction for charitable contributions by individuals was initiated in 1917, and estate tax deductions for bequests to charitable organizations were authorized in 1919. Charitable deductions for corporations were allowed beginning in 1935. Aside from provisions regarding charitable organizations engaged in business activities, the thrust of legislation has generally been to encourage the development of exempt organizations.

Charitable organizations receive direct and indirect subsidies from government. Direct government grants received in 1982 were \$19.2 billion, or 46 percent of total contributions. This illustrates the tradition of partnership

Figure D.--Nonprofit Charitable Organizations, 1975 and 1982: Alternative Measures of Sector Change
[Money amounts are in billions of dollars]

Type of measure	1975	1982	Percentage Change
	(1)	(2)	(3)
Total revenues (in 1972 constant dollars)	\$52.1	\$ 94.9	+82.1%
Total assets (in 1972 constant dollars)	86.2	135.1	+56.7
Total expenditures (in 1972 constant dollars)	49.8	87.6	+75.9
Total revenues divided by GNP	4.2%	6.3%	+50.0
Total expenditures divided by GNP	4.0%	5.9%	+47.5
Total revenues per capita divided by per capita income	5.9%	9.0%	+52.5
Total expenditures per capita divided by per capita income	5.6%	8.3%	+48.2
Total revenues divided by revenues of business entities	1.8%	2.5%	+38.9
Total assets divided by assets of business entities	2.0%	3.0%	+50.0
Total expenditures divided by expenditures of business entities	2.0%	2.0%	0.0

NOTE: Revenue, assets, and expenditures were converted into 1972 dollars using the GNP price deflator. Per capita income is equal to GNP divided by U.S. population. Business entities include corporations, nonfarm partnerships and nonfarm sole proprietorships [6] [7].

Source: Business entity data are from U.S. Treasury Department, Internal Revenue Service, Statistics of Income Division, published and unpublished tables. GNP price deflator is from U.S. Council of Economic Advisers, Economic Report of the President, February 1984, p. 224. U.S. population data are from U.S. Bureau of the Census, Current Population Reports, Series P-25, and unpublished data.

between government and nonprofit organizations in supplying public goods and services [9]. Indirect subsidies come in the form of exemption from various taxes and in the tax expenditure for the deduction of contributions from income taxed to the donor [10]. Tax expenditures exist that benefit individuals and corporate entities as well as nonprofit organizations (e.g. deductibility of home mortgage interest expense). Tax expenditures are expressed in terms of outlay equivalent (i.e., the amount required to produce the equivalent of the benefits derived from the tax expenditure) and in terms of the revenue loss to the government [11]. Figure E shows tax expenditures for the deductibility of charitable contributions in 1982. Figure F, with details of contributions as reported on tax returns for 1982, presents the source of the tax expenditures.

Figure E.--Tax Expenditures for Deduction of Charitable Contributions, 1982 ^{1/} [12]

[Money amounts are in millions of dollars]

Type of deduction	Outlay equivalent	Revenue loss
Deductibility of charitable contributions (education)	\$830	\$835
Deductibility of charitable contributions (health)	1,240	1,245
Deductibility of charitable contributions (other than education and health)	7,550	7,595

^{1/}Includes contributions to organizations exempt under IRC 501(c) as well as to religious and other exempt organizations.

Source: Executive Office of the President, Office of Management and Budget, Special Analyses, Budget of the United States Government, FY 1984, p. G-27 and p. G-32.

Contributions received from the public, as reported on nonprofit charitable organization returns, reflected only 46 percent of total contributions shown in Figure F. The remainder of these contributions would have been received by organizations not required to file Forms 990. Religious organizations, the predominant type of 501(c)(3) organization, are not required to file returns. Therefore, the largest part of the remaining 54 percent of contributions not reported on Form 990 would have been donated to these organizations.

It should be noted that the IRC does not recognize the value of volunteer services as a

Figure F.--Charitable Contributions as Reported on Tax Returns, 1982

[Money amounts are in millions of dollars]

Source of contribution	Amount
Total	\$48,051
Individual	36,761
Corporate	2,906
Estate bequests	2,545
Fiduciary	1,416
Private foundations ^{1/}	4,423
Gift	n.a.

n.a. Not available.

^{1/}The inclusion of this figure in total contributions involves double counting since individual, corporate, estate and fiduciary giving include gifts to private foundations.

Source: U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income Division, published and unpublished tables.

noncash contribution for deduction purposes, nor is the value reported as revenue on the returns filed by charitable organizations. Nonetheless, volunteer services constitute an important part of total donations.

Description of Nonprofit Charitable Organization Activity

To explain the existence of the nonprofit charitable sector, it is necessary to determine what inducements exist for the formation and continued operation of the organizations that form the sector. The private sector is comprised of firms seeking to maximize their profits. They accomplish this by attempting to satisfy consumer desires through the mechanism of the market. Alternately, the level of Government provision of public goods is primarily determined by a majority vote of the electorate. The Government, due to a lack of information about specific consumer preferences, must use a nonbenefit-based system of taxation for the provision of public goods. A nonbenefit-based taxation system is necessary because it is not possible to equate taxes paid by an individual to the benefits received by that individual from public goods and services [13]. One explanation for the existence of the nonprofit charitable sector is that demand for public goods is not completely revealed by a majority vote of the electorate and therefore not supplied by the Government [14]. Private nonprofit organizations may form to meet this unsatisfied demand. Also, there may be an overlapping provision of public goods by Government and by nonprofits with the private sector offering private good substitutes for public goods.

The share of output by nonprofit charitable organizations may be primarily determined by: the undersupply of public goods resulting from the allocation by a majority vote using a non-benefit-based taxation system; the responsiveness of Government institutions to changes in quantities of public goods as mandated by a majority vote; the suitability of private good substitutes for public goods; and the price of philanthropy to the donor and to the Government in terms of a tax expenditure.

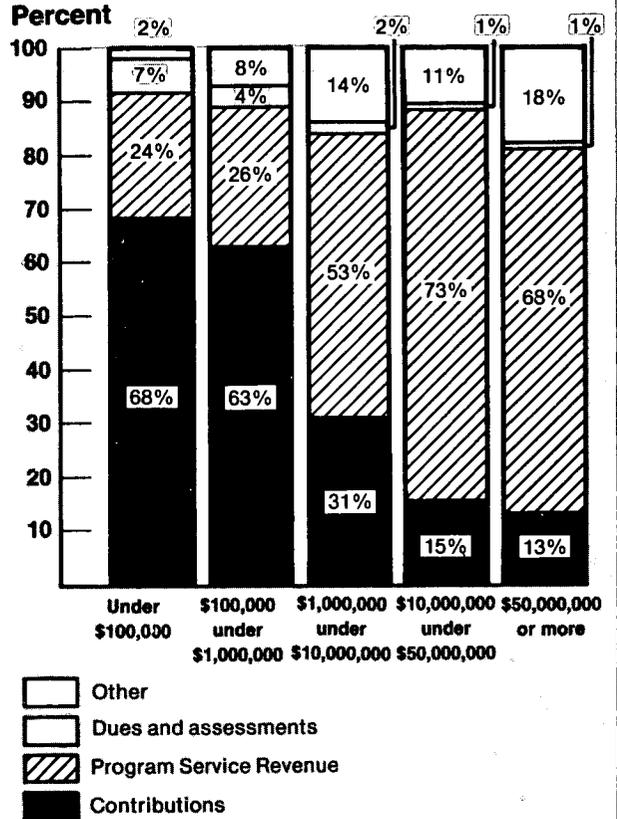
There is no standard theory of behavior for nonprofit charitable firms analogous to the profit maximization behavior of private firms [15]. This is partly due to the wide mix of organizations in the sector that have different philanthropic objectives and the difficulties in measuring both charitable output and returns on investment in philanthropy. In general, it may be assumed that nonprofit charitable entities are attempting to maximize the furtherance of their charitable purpose.

The nonprofit charitable sector as a whole shows variation in terms of primary revenue source as total assets increase. As seen in Figure G, the reliance of organizations on contributions for revenue varies inversely with total assets. A stronger reliance on program service fees for a major portion of revenue emerges as assets increase. Those with assets under \$100,000 rely on contributions for 68 percent of revenue and on fees charged for 7 percent, while those with assets \$50,000,000 or more depend on contributions for 13 percent of revenue and on program service revenue for 68 percent.

Figures H and I display the only information available from exempt organization returns on the type of organizations that are filing. It is derived from the section of the return in which an organization must supply a reason for not being classified in the less-favored category of private foundation [16]. Most are publicly supported organizations, whereas the concentration of assets is in the schools and hospitals.

Both the composition of assets and the major source of revenue of hospitals and schools (the only activities readily identifiable from information on the Form 990 exempt organization return) are dissimilar as evidenced in Figure J. Hospitals have a large capital investment in land, building, and equipment, followed by receivables and inventories as the top components of assets. Schools hold fewer assets in land, buildings and equipment than hospitals and schools' assets are heavily concentrated in investments. Contributions, gifts, and grants account for 25 percent of the revenue received by schools, but only 3 percent of the revenue received by hospitals.

Figure G
Components of Revenue, by Asset Size, 1982



Education and health services are good examples of industries that are represented in the private business sector, the Government sector, and the nonprofit charitable sector. While there certainly is overlap, in general, the for-profits target a different market than the nonprofits and the Government providers. Earnings of nonprofits are used for provision of medical services as opposed to for-profits, which may distribute their earnings to individual investors. Nonprofit hospitals generally offer a wider range of services than for-profit hospitals, and the services offered are more public in nature (e.g., home care programs, social work departments, organ banks) [17]. It is possible that nonprofit hospitals serve more of the uninsured and low-income segment of the population.

Differences in accounting standards for nonprofit and for-profit entities highlight the difficulty in evaluating the nonprofit sector. In exchange for the privilege of tax exemption, charitable organizations forfeit the privilege of paying dividends on invested capital. The

Figure H.--Nonprofit Charitable Organizations, Excluding Private Foundations: Balance Sheet and Income Statement Items, by Type of Organization, 1982

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

Type of organization ^{1/}	Number of returns	Total assets	Total liabilities	Total revenue	Total expenses
	(1)	(2)	(3)	(4)	(5)
Total	75,733	\$279,632	\$116,771	\$196,300	\$181,294
Church ^{2/}	2,022	2,837	915	1,517	1,255
School	8,335	73,524	13,685	35,224	29,843
Hospital	5,021	93,839	45,797	91,855	87,278
Government unit	701	1,182	443	1,242	1,201
Hospital research	546	1,296	229	560	523
Organization supporting a public college	1,057	3,400	338	1,860	1,343
Publicly supported organization	50,738	56,737	22,812	45,620	43,042
Organization supporting charitable organizations	4,893	42,418	30,764	15,586	14,267
Organization testing for public safety	1	104	13	93	85
Not reported	2,419	4,295	1,775	2,743	2,457

^{1/}This classification was derived from Schedule A (Form 990), Part IV, entitled "Reason for Non-Private Foundation Status."

^{2/}Churches are not required to file a Form 990. Most of the organizations in this category either filed voluntarily or misreported their type of organization. This estimate is, therefore, not inclusive of the majority of religious organizations.

distribution of earnings to individual investors is the impetus behind the formation of business entities. This nondistributional constraint placed on nonprofit organizations is what defines a nonprofit organization as opposed to a for-profit entity. The balance sheet of a nonprofit charitable organization does not have an owner's equity section; earnings will accrue instead to the fund balance/net worth section. These organizations must operate for the public benefit and their income and assets must be held and used for that purpose. It may be that, in a sense, a nonprofit charitable organization is owned by the public.

The accounting systems of many nonprofit organizations keep separate records of groups of resources and their subsequent use because they have specified purposes and restrictions.

This need leads to the use of fund accounting where funds are restricted (the directors have limited control over specific use due to donor instructions). Nonexpendable (capital funds that cannot be used for operating costs) and expendable funds represent another classification of resources. In addition, many hospitals and schools have endowment funds that provide income for the organization, while the principal is not available for use [18]. The constraints imposed on the use of these funds hamper the exempt organization's financial management in quickly adapting to changing economic conditions.

However, the most important difference between the concept of exempt organization performance and that of for-profit entities centers on measurement of efficiency. Effectiveness in pursuing an exempt purpose cannot

Figure 1--Nonprofit Charitable Organizations, Excluding Private Foundations, Frequency Distribution of Organizations Among Asset Classes, by Type of Organization, 1982

[All figures are estimates based on samples]

Type of organization ^{1/}	Under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$50,000,000	\$50,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)
Church ^{2/}	960	480	102	436	35	6
School	3,364	1,922	717	1,331	754	245
Hospital	480	961	102	1,547	1,408	521
Government unit	480	--	--	204	12	3
Hospital research	--	480	--	43	18	4
Organization supporting a public college	--	480	307	215	42	11
Publicly supported organization	22,593	15,863	4,097	7,338	726	118
Organization supporting charitable organizations	960	1,922	512	1,245	208	43
Organization testing for public safety	--	--	--	--	--	1
Not reported	960	961	204	231	44	15

^{1/}This classification was derived from Schedule A (Form 990), Part IV, entitled "Reason for Non-Private Foundation Status."

^{2/}Churches are not required to file a Form 990. Most of the organizations in this category either filed voluntarily or misreported their type of organization. This estimate is, therefore, not inclusive of the majority of religious organizations.

be expressed in net profit or return on investment figures. Traditional financial ratios are difficult to calculate and interpret.

SUMMARY

For 1982, total revenue for nonprofit charitable organizations was \$196.3 billion, reflecting an 82 percent real growth since 1975. Total assets and total expenses experienced similar growth during this period. Health service and education providers dominated the largest organizations.

Contributions represented 21 percent of total revenue for all organizations. The importance of contributions as a part of revenue declined as the value of assets increased. The largest organizations relied more on program service revenue while the small organizations depended on contributions as their primary revenue source.

The largest number of these charitable organizations were publicly supported organizations which produced a wide array of goods and services. However, the concentration of financial aggregates was in the schools and hospitals.

Charitable organizations and for-profit entities operate with different goals and under different legal constraints. The furtherance of the public good is assumed to be the reason that charitable organizations operate as a third sector in the U.S. economy.

DATA SOURCE AND LIMITATIONS

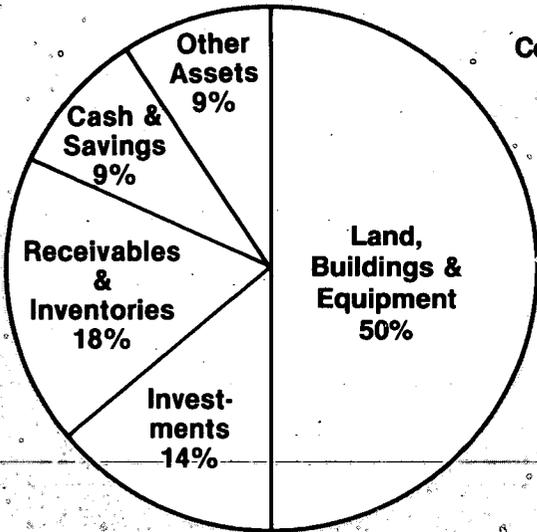
The database used for this article was constructed by the Statistics of Income (SOI) Division by collecting data using the concept

Figure J

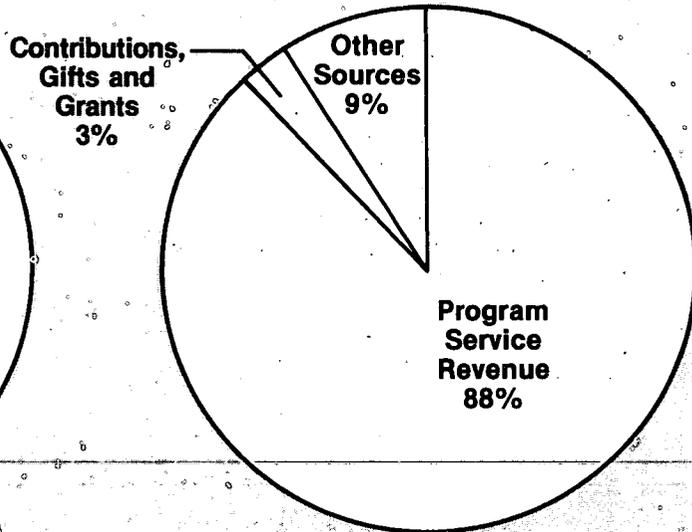
Composition of Assets & Revenue Sources, By Organization Type, 1982

Hospitals

Assets—\$93.8 billion

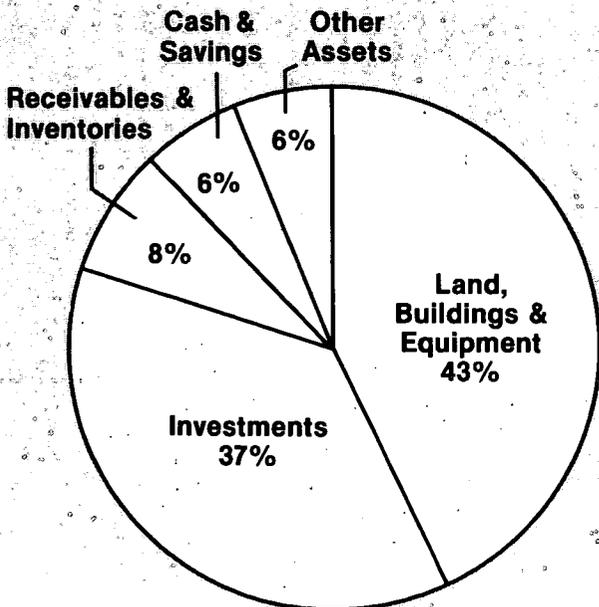


Revenue—\$91.85 billion

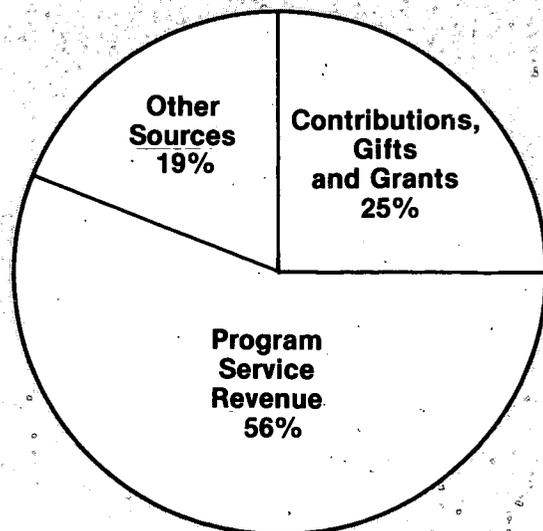


Schools

Assets—\$73.52 billion



Revenue—\$35.2 billion



of a Tax Year as opposed to a Processing Year (see Appendix for a discussion of the concepts of a Processing Year and a Tax Year). The relevant Tax Year is defined by accounting periods ending December 1982 through November 1983. Calendar year filers represented 45 percent of the population, while 42 percent of the non-calendar year filers had accounting periods ending in June. The sample included 219 group returns that appear to be returns with large assets while the return actually represents an aggregate of many small organizations [19].

The sample size was 4,398 organizations. The estimates of nonprofit charitable organizations presented here are based on a random probability sample of 1982 unaudited information returns (Form 990) stratified by asset levels. The sample was selected based on a computation on the employer identification number (EIN). The 1982 filing requirement granted an exemption to entities with gross receipts of \$25,000 or less; returns of organizations with gross receipts of less than \$25,000 were bypassed for sample selection. The sample design was nearly optimal for the purpose of estimating total assets or totals highly correlated with assets.

The data presented in this article are subject to sampling and nonsampling error. The size of the sampling error is estimated by the approximate coefficients of variation in Figure K. Nonsampling error would stem primarily from interpretation of charitable organizations' entries on the Form 990 and the efficiency of the testing used in detecting inconsistencies in the data as well as the quality of the subsequent correction process. When 1982 returns were not available, 1981 returns were substituted as proxies. In addition, comparable frequencies and amounts in tables may vary slightly as a result of computer software differences.

Sampling rates ranged from 1.00 for organizations with \$10 million or more in assets to .0021 for organizations with assets below \$500,000. Additionally, the weighting of the data file had to be adjusted for nonresponse. (Some returns selected were not obtainable.) The low rate of sampling for lower asset organizations increases sampling variability for these strata. Consequently, a caveat must be issued as to the use of estimates for organizations with assets of \$500,000 or less. The approximate coefficient of variation for each sampling rate is shown in Figure K. In addition, organizations with receipts that are normally not more than \$25,000 (the average of the preceding 3 years for organizations 3 years or older) might not have filed a 1982 return even if their receipts were greater than \$25,000 in 1982.

Figure K. - Approximate Coefficient of Variation for Number of Returns by Size of Assets

Approximate coefficient of variation	Size of Assets		
	Under \$500,000 or blank	\$500,000 Under \$2,500,000	\$2,500,000 Under \$10,000,000
	(1)	(2)	(3)
0.05	50,100	11,300	5,500
0.07	40,100	9,000	4,200
0.10	28,100	6,200	2,800
0.15	16,200	3,500	1,600
0.20	10,200	2,200	950
0.30	5,000	1,050	450

APPENDIX: COMPARISONS OF 1975 AND 1982 DATA

There have been many changes in the operating environment of charitable organizations between 1975 and 1982 and they should be noted before comparing the two SOI sample data sets for the purpose of analyzing changes in the charitable sector. In addition, there are differences in the scope and methodology of the studies as well as in the data source. Comparability is further hampered by the fact that the Form 990 underwent a major revision during this period.

The economic climate of 1982 differed from that of 1975. The rate of price change was 6.1 percent in 1982 as compared to 9.1 percent in 1975. Inflation has particularly negative effects on exempt organizations with endowment funds that depend on fixed-return long-term investments. Management of these funds was made more difficult by the depressed stock and bond markets of 1974 that were still recovering in 1975. Endowment funds typically follow the stock and bond markets in value. Prices in this market were much higher in 1981-82 than in 1974-75 [20].

In addition, there was a change in the filing requirement effective in December 1982 that affected all 1982 Form 990 filings. This change raised the minimum level of gross receipts, required for filing purposes, to more than \$25,000 from the previous level of more than \$10,000 in 1976 and more than \$5,000 in 1975. Adjusting for the rate of inflation, this represents a 203 percent increase in the filing requirement (in 1972 dollars). This, along with a possible increase in the filing of group returns, may account for the decrease in the number of organizations filing a return.

As a percentage of total revenue, donations fell from 26 percentage to 21 percent for non-

profit charitable organizations between 1975 and 1982. There are alternative explanations for the apparent decreased level of charitable donations relative to total revenue. Enactment of the Economic Recovery Tax Act of 1981 (ERTA) could have had a dampening effect on giving to these organizations. While it would require more research to estimate ERTA's overall effect on contributions, it is possible to enumerate theoretical relationships between levels of giving and the cost of giving.

The cost of charitable giving for an individual can most simply be expressed as:

$$C_g = (1 - T_m),$$

where C_g is the cost of giving, and T_m is the marginal tax rate. One dollar of giving, less the donor's marginal rate of taxation (the percentage of tax on the last dollar of income realized), yields the out-of-pocket cost of the gift. For example, an individual in the 70 percent tax bracket realizes a true cost of \$30 when donating \$100, since \$70 would have been paid as tax. Therefore, the cost of a charitable contribution is inversely related to the donor's marginal tax rate. If the marginal rate drops, the cost of donating increases, and an individual facing an array of consumption choices experiences a change in the relative prices between expenditures on goods and services that are tax deductible versus those that are not tax deductible.

ERTA reduced average marginal tax rates as well as the maximum marginal rate (from 70 percent to 50 percent). The resultant increase in the cost of giving may have had a substitution effect on an individual's willingness to contribute. Conversely, the lowering of tax rates may have increased after-tax income levels (in the absence of a downturn in the business cycle or other negative changes in general economic conditions) and may have produced a positive income effect that would have operated to increase charitable giving. If the price elasticity of demand were large enough to outweigh the income elasticity, it is possible that this provision of ERTA negatively affected giving to nonprofit charitable organizations. (It should be noted that there could be a lagged substitution effect or lagged income effect where a transition period was needed to observe the final effect.) [21] [22].

ERTA also provided, for the first time, some deductibility of charitable donations for non-itemizers. This lowered the cost of giving for this group to the extent of the limit of the maximum allowable deduction. Again, the overall dollar impact on exempt organizations' receipts is difficult to predict since a portion of the contributions of nonitemizers would not be a result of new behavior.

Estate tax return filings were affected by provisions of the Tax Reform Act of 1976 that progressively raised the gross value of the estate required to file to \$175,000 from a level of \$60,000 in 1975. Charitable bequests for those estates not required to file would have a higher cost than when the estates were taxed. ERTA's estate tax provisions affected charitable bequests of decedents in 1982 and thereafter. Exempt organizations' receipts could have been affected by this after 1982.

The final consideration in trying to measure the change in the nonprofit charitable sector from 1975 to 1982 is that the structure of the two SOI studies differs in three significant ways. First, the 1975 study used a Processing Year concept, in which 1975 returns filed and processed during 1976 were sampled. The 1982 study used a Tax Year concept in which 1982 returns were sampled regardless of when they were processed. A Processing Year design allows an earlier cut-off of sampling; hence statistics can be produced more quickly. When a Processing Year sampling method is used to produce annual statistics, late filers can be captured in a statistical series. On the other hand, a Tax Year design would provide better coverage for 1-year statistics, but the sampling would require a longer time frame due to lags in filing and processing of returns [23]. Second, the 1975 study focused on all IRC 501(c) subsection codes, whereas the 1982 study sampled only IRC 501(c)(3) and 501(c)(4) organizations. (501(c)(4) organization data are not included in this article.) Finally, the 1975 study classified organizations by principal activity as well as stratified the sample on levels of receipts. For 1982, the sample was stratified by assets and data on activity were not included since activity coding was dropped from the Form 990 before 1982.

NOTES AND REFERENCES

- [1] 1975 was the year of the last Statistics of Income (SOI) study of nonprofit charitable organizations.
- [2] See Appendix entitled "Comparisons of 1975 and 1982 Data" for an explanation of the differences in the 1975 and 1982 data sets.
- [3] Executive Office of the President, Office of Management and Budget, The Budget of the United States Government, FY 1982, pp. 8-9.
- [4] U.S. Bureau of the Census, Current Population Reports, series P-60, Nos. T38 and T45.

- [5] The concept of altruism does not preclude the donor from receiving some benefit (e.g., recognition by the community, self-satisfaction); it merely indicates that the benefit is not immediately tangible.
- [6] Data available for partnerships and sole proprietorships did not contain farm entities for every statistic. Therefore, for consistency in comparison, farm data were not used.
- [7] Assets are not reported by sole proprietorships. Therefore, they are not included in business entities assets.
- [8] U.S. Bureau of Labor Statistics, Employment and Earnings, monthly; unpublished data.
- [9] "A commodity is called a 'public good' if its consumption by one person does not reduce the amount available for others or phrasing it another way, a good is 'public' if providing the good for anyone makes it possible to provide it for everyone, without additional cost. Public goods thus represent a particular type of beneficial externality. A private good (e.g., a banana) is used or consumed exclusively; a public good is (or may be) used concurrently by many economic agents." Hirshleifer, Jack, Price Theory and Applications, 3rd ed., Prentice-Hall, 1984, pp. 143-144.
- [10] "Tax expenditure estimates measure the decrease in individual and corporate income tax liabilities that result from the provisions in income tax laws and regulations that provide economic incentives to the private sector or tax relief to particular kinds of taxpayers." "The term tax expenditure is derived from the assumption that the goals of these favorable tax provisions could be accomplished by replacing them with direct expenditure programs." Joint Committee on Taxation, "Estimates of Federal Tax Expenditures for Fiscal Years 1986-1990," April 12, 1985, p. 2.
- [11] The difference between the cost of an outlay equivalent and the cost of a revenue loss is that a portion of an outlay would be in the form of transfer payments that would be taxable. Thus, because of the revenue gain, the outlay would generally cost less than the revenue loss of the tax expenditure.
- [12] Due to the interdependence of tax expenditures, these estimates cannot be added together for a total outlay equivalent or a total revenue loss; instead, they must be considered independently. The term "interdependence of tax expenditures" refers to the fact that tax expenditures mutually affect marginal tax rates. The elimination of one exclusion from gross income could cause an increase in taxable income that would be taxed in a higher bracket thus increasing the revenue loss from other exclusions.
- [13] Weisbrod, Burton A., "Toward a Theory of the Voluntary Non-Profit Sector," in Altruism, Morality, and Economic Theory, Edmund S. Phelps, ed., Russell Sage Foundation, 1975, p. 175.
- [14] Weiss, Jeffrey H., "The Ambivalent Value of Voluntary Provision of Public Goods in a Political Economy," in Nonprofit Firms in a Three Sector Economy, Michelle J. White, ed., The Urban Institute Press, 1981, pp. 11-12.
- [15] Newhouse, Joseph P., "Toward a Theory of Nonprofit Institutions: An Economic Model of a Hospital," American Economic Review, March 1970, p. 64.
- [16] Private foundations are subject to an excise tax on investment income and they are required to distribute annually a minimum amount of their investment assets. See Riley, Margaret, "Private Foundation Information Returns, 1982," Statistics of Income Bulletin, Fall 1985, Vol. 5, No. 2, p. 8.
- [17] Weisbrod, Burton A., The Voluntary Non-profit Sector, Lexington Books, 1977, pp. 77-81.
- [18] Gross, Malvern J., Jr., and Warshauer, William, Jr., Financial and Accounting Guide for Nonprofit Organizations, 3rd ed., John Wiley & Sons, 1983, pp. 11-39.
- [19] A parent organization may file a return for affiliated organizations that are subject to the parent's control and are exempt under a current group exemption letter. All the organizations on a group return must have the same accounting period.
- [20] U.S. Council of Economic Advisers, Economic Report of the President, 1975, pp. 310-311.
- [21] Vickrey, William, "Private Philanthropy and Public Finance," in Altruism, Morality, and Economic Theory, Edmund S. Phelps, ed., Russell Sage Foundation, 1975, pp. 153-157.
- [22] For empirical evidence that ERTA did not negatively affect charitable giving, see

Bristol, Ralph B., "Tax Cuts and Charitable Giving," Tax Notes, July 15, 1985, pp. 323-326.

- [23] As an example of a possible lag in filing and processing a 1982 return, organizations with an accounting period ending in November 1983 would have a required filing date for its 1982 return of April 15, 1984. Because of filing extensions, the return might not be processed until 1985.

Nonprofit Charitable Organizations, 1982

Table 1. — Returns of Tax-Exempt 501(C)(3)¹ Organizations with Total Assets: Assets, Liabilities, Revenue and Expenses by Size of Total Assets, 1982

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

Items	Total	Size of total assets							
		\$1 under \$25,000	\$25,000 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$50,000,000	\$50,000,000 or more	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Returns of 501(C)(3) organizations.....	75,738	14,902	14,902	23,075	6,043	12,595	3,251	967	
Total assets.....	279,638,066	163,682	859,303	4,520,081	4,266,804	43,533,996	74,300,485	151,993,712	
Cash (Non-interest bearing):									
Number of returns.....	65,144	11,537	13,941	20,190	4,917	11,129	2,667	761	
Amount.....	4,914,338	44,969	162,692	406,469	348,879	1,060,802	1,121,431	1,769,092	
Savings and temporary cash investments:									
Number of returns.....	52,556	7,210	11,056	16,825	4,507	9,619	2,602	734	
Amount.....	20,341,904	54,395	297,386	1,280,194	784,841	3,908,577	5,856,576	8,159,923	
Accounts receivable (net):									
Number of returns.....	36,759	2,884	3,845	13,460	3,585	9,150	2,925	908	
Amount.....	20,727,742	6,374	94,003	753,342	184,053	3,401,581	6,985,579	9,302,806	
Pledges receivable (net):									
Number of returns.....	4,266	—	—	961	814	1,752	691	246	
Amount.....	3,036,460	—	—	1,807	54,557	1,065,169	1,084,100	830,825	
Grants receivable:									
Number of returns.....	6,036	961	1,442	1,442	614	1,002	376	197	
Amount.....	1,565,944	8,164	34,850	151,681	128,997	511,233	288,489	462,527	
Receivables due from officers, directors, trustees and key employees:									
Number of returns.....	1,795	480	—	480	—	609	159	66	
Amount.....	129,003	799	—	8,113	—	12,465	49,648	57,977	
Other notes and loans receivable (net):									
Number of returns.....	9,152	961	480	961	1,434	3,396	1,385	532	
Amount.....	5,824,257	192	961	19,980	75,133	777,170	1,577,686	3,373,133	
Inventories for sale or use:									
Number of returns.....	19,035	961	1,922	6,249	1,331	5,321	2,440	807	
Amount.....	2,826,729	1,662	29,611	108,242	46,621	662,457	948,440	1,029,694	
Prepaid expenses and deferred charges:									
Number of returns.....	23,832	1,442	3,365	6,730	2,048	7,144	2,367	735	
Amount.....	1,860,943	2,207	9,228	75,328	27,252	325,674	536,669	884,581	
Investments—securities:									
Number of returns.....	14,773	480	961	2,403	1,536	6,497	2,179	714	
Amount.....	69,745,075	3,110	16,889	62,959	410,218	6,904,866	12,090,414	50,256,616	
Investments—land, buildings and equipment (minus accumulated depreciation):									
Number of returns.....	6,320	961	961	1,442	409	1,698	617	229	
Amount.....	8,039,810	4,870	23,106	242,959	123,087	1,300,421	1,577,957	2,767,406	
Investment—other:									
Number of returns.....	6,803	480	—	1,922	717	1,995	1,202	485	
Amount.....	17,970,993	1,586	—	94,695	91,246	1,075,062	3,106,308	13,602,094	
Land, buildings, and equipment (minus accumulated depreciation):									
Number of returns.....	41,278	3,845	5,768	12,498	4,507	10,811	2,953	893	
Amount.....	107,076,532	18,575	166,590	1,062,096	1,777,878	20,819,766	34,093,692	49,137,932	
Other assets:									
Number of returns.....	32,739	3,845	3,845	10,095	4,200	7,365	2,584	802	
Amount.....	17,578,328	16,772	23,981	252,211	214,035	1,708,737	5,003,489	10,359,100	
Total liabilities.....	116,777,538	60,995	246,397	1,971,267	1,330,380	16,579,294	28,815,955	67,773,245	
Accounts payable and accrued expenses:									
Number of returns.....	49,336	8,172	7,691	14,421	4,404	10,633	3,079	933	
Amount.....	15,607,320	29,861	108,584	641,616	385,428	2,349,604	4,767,258	7,324,966	
Grants payable:									
Number of returns.....	4,571	961	—	1,922	307	1,089	217	73	
Amount.....	2,326,238	6,455	—	183,133	22,671	735,189	598,870	799,918	
Support and revenue designated for future periods:									
Number of returns.....	11,200	961	1,922	4,326	614	2,701	511	182	
Amount.....	3,414,470	469	17,228	144,750	84,274	992,635	1,091,121	1,083,989	
Loan from officers, directors, trustees and key employees:									
Number of returns.....	2,143	—	480	1,442	—	172	40	7	
Amount.....	278,609	—	3,249	29,564	—	87,593	125,456	32,745	
Mortgages and other notes payable:									
Number of returns.....	24,249	1,442	3,365	6,730	2,151	7,414	2,375	771	
Amount.....	51,845,471	7,049	28,828	695,931	609,329	9,890,152	16,340,787	24,275,391	
Other liabilities:									
Number of returns.....	29,391	3,845	3,365	8,172	2,765	7,947	2,476	818	
Amount.....	43,305,428	17,160	90,506	296,271	228,677	2,524,119	5,892,460	34,256,234	
Total fund balances/net worth:									
Number of returns.....	75,583	14,902	14,902	23,075	6,043	12,450	3,245	963	
Amount.....	162,860,528	102,686	612,905	2,548,814	2,936,423	26,954,701	45,484,529	84,220,466	
Total liabilities and fund balances/net worth:									
Number of returns.....	75,738	14,902	14,902	23,075	6,043	12,595	3,251	967	
Amount.....	279,638,067	163,682	859,303	4,520,082	4,266,804	43,533,995	74,300,485	151,993,712	
Total revenue.....	196,305,700	774,536	2,826,490	9,018,977	5,222,087	31,380,246	57,278,516	89,802,846	
Total contributions.....	41,272,737	432,311	1,999,611	5,344,562	3,656,867	9,875,831	8,338,137	11,625,415	
Contributions, gifts and grants received through direct public support:									
Number of returns.....	55,385	10,095	9,614	17,306	4,507	10,250	2,787	825	
Amount.....	17,293,898	217,697	249,650	1,135,767	756,981	5,128,488	4,633,067	5,174,245	
Contributions, gifts and grants received through indirect public support:									
Number of returns.....	13,361	480	1,922	5,288	1,536	3,305	598	230	
Amount.....	4,798,250	6,970	13,630	542,951	224,225	1,422,242	1,005,862	1,582,368	
Contributions, gifts and grants received through government grants:									
Number of returns.....	24,185	3,845	4,807	8,653	1,843	3,380	1,204	460	
Amount.....	19,180,588	207,643	1,736,330	3,665,843	2,675,660	3,327,099	2,699,207	4,868,802	

Footnote(s) at end of table.

Nonprofit Charitable Organizations, 1982

Table 1. — Returns of Tax-Exempt 501(C)(3)¹ Organizations with Total Assets: Assets, Liabilities, Revenue and Expenses by Size of Total Assets, 1982 — Continued

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

Items	Total	Size of total assets						
		\$1 under \$25,000	\$25,000 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 under \$50,000,000	\$50,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Program service revenue:								
Number of returns.....	45,821	7,210	8,172	14,421	3,482	8,993	2,696	843
Amount.....	124,373,343	364,464	496,426	2,749,404	897,157	16,525,254	42,001,862	61,338,774
Membership dues and assessments:								
Number of returns.....	19,438	3,845	6,249	4,807	1,536	2,598	333	66
Amount.....	2,476,708	126,165	118,785	328,827	195,078	516,548	561,441	629,862
Interest on savings and temporary cash investments:								
Number of returns.....	55,146	7,691	11,056	18,267	5,019	9,851	2,522	737
Amount.....	3,371,905	5,383	34,367	140,636	115,390	618,652	985,270	1,472,205
Dividends and interest from securities:								
Number of returns.....	12,517	480	961	2,884	1,536	4,378	1,701	575
Amount.....	5,102,388	162	2,118	20,526	36,048	591,481	956,922	3,495,127
Gross rents:								
Number of returns.....	12,216	1,442	961	2,884	1,434	3,866	1,206	422
Amount.....	1,298,963	138,910	17,145	8,768	88,975	517,437	196,306	331,418
Rental expenses:								
Number of returns.....	5,695	961	480	1,442	409	1,488	652	261
Amount.....	781,032	93,802	2,481	9,358	83,440	286,578	114,411	190,957
Net rental income (loss):								
Number of returns.....	12,206	1,442	961	2,884	1,434	3,866	1,200	418
Amount.....	517,931	45,107	14,664	-589	5,534	230,858	81,895	140,460
Other investment income:								
Number of returns.....	2,266	480	—	—	102	1,175	350	157
Amount.....	996,394	168	—	—	1,094	71,849	106,860	816,422
Gross amount from sale of assets-securities:								
Number of returns.....	5,877	—	—	480	717	3,148	1,141	389
Amount.....	35,047,624	—	—	32,698	128,247	1,766,627	5,422,978	27,697,072
Cost or other basis and sales expenses-securities:								
Number of returns.....	5,627	—	—	480	717	3,062	1,022	345
Amount.....	32,374,860	—	—	32,229	126,704	1,642,268	5,059,299	25,514,358
Gain (loss)-securities:								
Number of returns.....	5,877	—	—	480	717	3,148	1,141	389
Amount.....	2,672,764	—	—	469	1,542	124,359	363,679	2,182,713
Gross amount from sale of other assets:								
Number of returns.....	6,172	480	480	961	819	2,194	898	337
Amount.....	1,258,098	158,754	937	417	29,736	218,657	235,839	613,756
Cost or other basis and sales expenses-other assets:								
Number of returns.....	3,876	480	480	—	512	1,439	690	273
Amount.....	1,027,032	431,819	467	—	10,052	64,097	140,481	380,114
Gain (loss)-other assets:								
Number of returns.....	6,823	480	961	961	819	2,340	921	339
Amount.....	231,065	-273,064	469	417	19,683	154,560	95,358	233,641
Total gain (loss) from sale of assets:								
Number of returns.....	11,022	480	961	961	1,536	4,761	1,729	592
Amount.....	2,903,830	-273,064	469	886	21,226	278,919	459,037	2,416,354
Gross revenue-special fundraising events:								
Number of returns.....	15,946	3,365	3,845	5,288	921	2,194	257	73
Amount.....	1,641,390	23,615	180,592	253,524	140,997	777,128	177,242	88,290
Direct expenses:								
Number of returns.....	13,644	2,884	3,365	4,807	819	1,482	218	67
Amount.....	741,843	11,749	100,530	105,394	84,478	362,655	43,827	33,208
Net income (loss):								
Number of returns.....	16,144	3,365	3,845	5,288	1,024	2,296	252	71
Amount.....	899,545	11,865	80,061	148,129	56,518	414,472	133,415	55,081
Gross sales minus returns and allowances:								
Number of returns.....	13,891	961	1,922	6,730	717	2,469	792	298
Amount.....	7,960,114	16,655	59,104	311,800	19,681	1,463,557	2,801,810	3,287,503
Cost of goods sold:								
Number of returns.....	12,903	961	1,922	6,249	717	2,092	690	270
Amount.....	2,979,252	17,526	35,597	205,978	16,261	506,439	996,062	1,201,387
Gross profit (loss):								
Number of returns.....	13,846	961	1,922	6,730	717	2,426	789	299
Amount.....	4,980,862	-870	23,507	105,822	3,420	957,118	1,805,747	2,086,116
Other revenue:								
Number of returns.....	37,728	6,249	5,768	11,537	3,482	7,554	2,412	723
Amount.....	9,410,072	62,862	56,478	181,769	233,750	1,299,260	1,848,925	5,727,026
Total expenses:	181,298,552	970,925	2,761,297	8,661,310	5,004,304	29,330,345	53,254,786	81,295,584
Program services:								
Number of returns.....	68,978	12,018	13,941	21,152	5,531	12,293	3,105	936
Amount.....	151,667,591	681,731	2,497,256	7,038,939	4,060,906	23,828,835	43,538,281	70,021,639
Management and general:								
Number of returns.....	59,731	11,056	11,056	17,787	5,634	10,681	2,708	807
Amount.....	27,424,768	287,403	262,306	1,424,510	907,742	4,721,594	9,080,271	10,740,938
Fundraising:								
Number of returns.....	17,522	961	1,922	6,249	1,843	4,766	1,316	462
Amount.....	1,651,038	1,757	1,695	98,525	35,201	632,016	431,001	450,841
Payments to affiliates:								
Number of returns.....	3,113	480	480	1,442	102	496	85	26
Amount.....	555,154	32	38	119,334	454	147,898	205,231	82,164

¹Excluding Private Foundations.

Note: — Indicates Not Reported.

Detail may not add to total because of rounding.

Nonprofit Charitable Organizations, 1982

Table 2.—Returns of Tax-Exempt 501(C)(3)¹ Organizations with Selected Income and Balance Sheet Items, by State, 1982

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

State	Number of Returns	Total Receipts	Selected Receipts							
			Total Contributions Received		Direct Public Support		Indirect Public Support		Government Grants	
			Number of Returns	Amount	Number of Returns	Amount	Number of Returns	Amount	Number of Returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
United States, total	75,741	196,305,702	60,026	41,272,738	55,388	17,293,900	13,360	4,798,249	24,190	19,180,588
Alabama	410	1,998,335	357	516,093	253	129,450	140	33,674	248	352,968
Alaska	486	74,640	4	10,645	4	1,282	—	—	4	9,362
Arizona	522	1,364,901	516	579,742	514	330,785	5	1,161	153	247,795
Arkansas	168	838,613	167	86,427	166	51,960	108	29,081	8	5,386
California	8,639	21,097,305	6,497	3,879,449	6,295	1,968,533	414	373,941	1,867	1,536,975
Colorado	677	1,926,535	668	294,724	668	173,746	152	38,087	540	82,891
Connecticut	1,332	3,148,985	746	311,861	742	258,117	15	16,541	38	37,203
Delaware	20	515,745	14	35,192	13	31,515	3	1,693	8	1,985
Florida	2,360	5,946,281	2,345	1,143,449	1,860	504,851	425	327,120	1,103	311,479
Georgia	1,030	2,664,739	1,020	626,942	1,018	287,199	259	64,460	131	275,284
Hawaii	23	507,093	22	62,075	21	27,270	4	13,173	7	21,632
Idaho	113	448,756	111	266,371	110	40,894	2	99	107	225,378
Illinois	4,346	14,635,356	4,027	5,058,665	3,979	1,322,800	1,690	910,577	2,255	2,825,289
Indiana	2,716	4,345,854	2,076	936,688	1,109	236,652	503	13,040	1,491	686,996
Iowa	873	1,567,828	829	269,339	827	127,875	155	9,505	119	131,959
Kansas	517	1,115,089	513	171,752	513	77,562	4	515	495	93,675
Kentucky	1,875	1,806,280	1,726	322,495	1,243	247,153	490	8,932	1,029	66,411
Louisiana	619	1,554,576	614	222,726	509	80,689	4	8,233	592	133,803
Maine	65	570,486	65	35,042	21	29,468	4	1,677	55	3,896
Maryland (Incl. D.C.)	1,695	7,076,882	1,103	1,981,016	1,097	507,109	131	235,212	322	1,238,696
Massachusetts	3,969	10,308,112	2,475	2,682,653	2,466	916,139	271	11,322	1,433	1,755,192
Michigan	3,688	6,192,503	1,629	558,643	1,621	296,274	244	27,880	628	234,489
Minnesota	1,399	2,571,422	1,390	571,703	1,386	225,238	123	91,879	237	254,586
Mississippi	597	1,240,826	591	112,543	586	49,423	485	26,191	57	36,928
Missouri	2,212	4,471,847	611	732,905	604	327,084	165	63,874	225	341,946
Montana	15	309,818	12	6,616	12	5,433	3	56	4	1,128
Nebraska	31	786,822	28	76,106	27	58,777	10	5,624	13	11,705
Nevada	4	120,000	3	5,285	3	5,087	—	—	1	198
New Hampshire	314	736,302	313	104,104	311	99,598	106	1,350	8	3,156
New Jersey	1,917	4,769,614	1,720	723,374	1,670	245,869	863	166,165	726	311,340
New Mexico	15	392,059	10	14,852	9	9,096	3	2,417	3	3,338
New York	5,959	27,459,756	5,102	5,620,951	4,453	2,774,399	711	1,260,223	2,788	1,586,329
North Carolina	2,165	4,589,052	2,113	1,145,034	2,008	507,575	605	117,980	1,304	519,478
North Dakota	16	497,603	13	11,403	13	10,935	1	161	2	307
Ohio	3,861	10,249,112	3,265	2,883,914	2,669	592,586	1,417	375,397	1,348	1,915,931
Oklahoma	1,107	2,005,294	725	476,548	723	460,682	7	4,739	9	11,127
Oregon	1,773	1,802,919	1,723	226,506	1,720	190,497	210	21,957	13	14,052
Pennsylvania	5,552	14,572,073	4,416	1,681,410	4,402	818,670	1,167	94,052	1,485	768,688
Rhode Island	1,030	979,410	1,029	153,102	1,027	89,076	7	49,001	492	15,025
South Carolina	80	814,297	77	124,886	76	91,913	48	11,193	16	21,780
South Dakota	321	804,953	319	14,543	319	13,697	—	—	5	846
Tennessee	1,427	3,839,826	939	740,853	937	505,469	702	70,008	134	165,375
Texas	3,650	7,744,494	2,944	2,063,163	2,835	1,323,852	814	94,117	1,608	645,194
Utah	6	727,375	4	21,295	4	21,026	1	7	1	262
Vermont	58	419,784	57	15,358	57	12,557	1	51	8	2,751
Virginia	1,568	4,051,056	1,565	1,063,211	1,561	505,612	25	26,209	384	531,391
Washington	2,603	2,851,041	2,116	508,297	1,632	147,758	118	5,540	505	354,999
West Virginia	702	1,443,892	218	149,934	114	29,875	91	10,710	114	109,349
Wisconsin	1,144	3,248,269	1,138	400,768	1,133	336,864	641	52,496	27	11,408
Wyoming	1	2,842	1	1,035	1	977	—	—	1	58
Foreign	72	3,099,050	60	1,571,050	47	186,952	13	120,929	39	1,263,169

Footnote(s) at end of table.

Nonprofit Charitable Organizations, 1982

Table 2. — Returns of Tax-Exempt 501(C)(3)¹ Organizations with Selected Income and Balance Sheet Items, by State, 1982 — Continued

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

State	Selected Receipts — Continued					Selected Expenses			
	Program Service Revenue		Membership Dues and Assessments		Total Expenses	Program Service		Fundraising	
	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)
United States, total	45,824	124,373,341	19,437	2,476,712	181,298,555	68,982	151,667,594	17,521	1,651,037
Alabama.....	311	1,060,685	132	86,056	1,869,628	403	1,496,973	102	12,272
Alaska.....	486	60,928	2	2	64,778	486	60,749	2	68
Arizona.....	369	623,533	106	5,810	1,177,576	519	1,017,455	152	14,652
Arkansas.....	167	663,279	1	2	759,096	168	617,858	151	8,451
California.....	2,681	14,782,910	2,678	619,592	19,694,923	6,066	16,280,464	2,217	214,699
Colorado.....	145	1,460,107	7	2,879	1,766,896	673	1,492,709	120	19,544
Connecticut.....	1,223	2,449,437	489	26,942	2,900,847	1,330	2,438,450	242	28,366
Delaware.....	14	334,837	5	3,814	455,251	19	374,056	7	1,127
Florida.....	1,718	4,215,980	10	8,652	5,509,717	2,352	4,542,601	556	23,669
Georgia.....	971	1,656,389	483	51,733	2,271,099	1,028	1,909,288	367	20,324
Hawaii.....	20	330,258	1	361	433,154	23	347,631	10	1,481
Idaho.....	9	135,884	—	448,433	—	113	406,554	6	793
Illinois.....	1,716	8,109,279	220	166,960	13,976,558	4,238	12,188,440	2,749	243,051
Indiana.....	1,740	2,905,257	490	1,844	4,007,315	2,232	3,479,398	83	13,858
Iowa.....	384	1,073,729	253	45,176	1,435,565	871	1,117,242	73	11,801
Kansas.....	515	840,957	4	695	1,019,557	516	843,407	16	3,129
Kentucky.....	712	1,230,805	527	3,063	1,644,565	1,386	1,281,176	107	19,954
Louisiana.....	504	1,034,996	2	237	1,368,481	131	1,036,865	6	2,288
Maine.....	64	499,114	1	126	514,833	63	425,957	9	2,493
Maryland (incl. D.C.).....	1,418	3,797,341	793	426,774	6,602,892	1,690	5,752,798	158	50,659
Massachusetts.....	3,071	5,671,428	590	27,214	8,782,947	3,919	7,447,564	926	98,713
Michigan.....	2,672	5,259,555	223	22,147	6,253,624	3,206	4,753,832	357	24,822
Minnesota.....	807	1,719,849	591	22,656	2,374,773	1,399	2,100,931	248	16,690
Mississippi.....	108	958,892	43	3,903	1,166,562	596	1,038,671	49	6,161
Missouri.....	1,956	3,207,385	587	12,671	4,112,944	2,166	3,498,484	725	24,346
Montana.....	14	282,604	1	2,342	286,738	15	250,253	4	848
Nebraska.....	27	594,925	3	1,212	705,104	31	569,864	17	10,421
Nevada.....	3	57,966	—	—	109,040	4	104,260	—	—
New Hampshire.....	168	510,003	146	56,390	849,746	313	495,908	158	9,427
New Jersey.....	1,506	3,175,808	404	66,985	4,400,191	1,824	3,403,455	889	38,040
New Mexico.....	9	269,648	—	—	350,232	13	288,792	2	1,120
New York.....	3,996	13,481,064	3,662	421,237	25,863,383	5,364	22,702,389	1,177	367,680
North Carolina.....	1,900	3,001,940	3	1,108	4,039,065	2,119	3,689,662	224	16,522
North Dakota.....	16	474,570	—	—	463,709	14	389,610	3	380
Ohio.....	2,287	6,305,390	1,077	102,766	9,435,103	3,375	7,853,533	762	29,639
Oklahoma.....	218	1,187,006	4	285	1,816,635	1,100	1,191,529	14	7,458
Oregon.....	804	1,363,428	105	4,191	1,678,524	1,771	1,306,036	535	12,004
Pennsylvania.....	3,656	11,462,890	1,674	38,892	13,746,075	5,439	11,796,324	1,164	66,579
Rhode Island.....	545	673,877	526	13,126	871,287	1,030	770,659	10	5,411
South Carolina.....	76	562,635	45	15,544	714,573	80	569,824	16	3,067
South Dakota.....	319	737,122	102	9,508	766,172	320	683,042	1	603
Tennessee.....	1,372	2,137,860	3	175	3,537,250	1,425	3,117,770	278	37,595
Texas.....	2,215	4,446,011	1,329	113,283	6,648,658	3,163	5,259,219	1,280	83,445
Utah.....	4	526,599	—	—	650,165	5	597,188	1	377
Vermont.....	58	378,340	1	34	392,060	58	325,040	6	1,315
Virginia.....	491	2,545,213	694	23,164	3,688,458	1,568	2,863,798	241	48,024
Washington.....	1,833	2,143,266	588	2,591	2,684,840	2,601	2,225,678	606	9,667
West Virginia.....	173	554,091	524	9,483	1,414,470	656	693,299	533	14,584
Wisconsin.....	508	2,445,612	288	17,286	2,879,467	1,038	2,403,365	139	8,382
Wyoming.....	1	807	—	—	1,763	1	892	1	8
Foreign.....	44	971,792	10	37,811	2,913,753	62	2,166,534	19	15,050

Footnote(s) at end of table.

Nonprofit Charitable Organizations, 1982

Table 2. — Returns of Tax-Exempt 501(C)(3)¹ Organizations with Selected Income and Balance Sheet Items, by State, 1982 — Continued

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

State	Information Items					
	Total Assets (20)	Total Liabilities (21)	Total Fund Balances/Net Worth (22)		Total Liabilities, Fund Balances/Net Worth (24)	
			Number of Returns	Amount	Number of Returns	Amount
United States, total	279,638,065	116,777,538	75,585	162,860,531	75,741	279,638,067
Alabama.....	3,079,509	1,213,953	410	1,865,556	410	3,079,509
Alaska.....	146,569	86,928	486	57,641	486	146,569
Arizona.....	2,098,088	1,121,667	522	976,421	522	2,098,088
Arkansas.....	1,219,432	356,832	168	862,600	168	1,219,432
California.....	22,810,926	9,150,697	8,595	13,660,230	8,639	22,810,926
Colorado.....	2,373,759	783,467	677	1,590,292	677	2,373,759
Connecticut.....	5,914,001	1,292,203	1,332	4,621,798	1,332	5,914,001
Delaware.....	1,313,859	295,170	20	1,018,689	20	1,313,859
Florida.....	7,681,815	2,872,643	2,360	4,809,172	2,360	7,681,815
Georgia.....	4,442,995	1,098,555	1,030	3,346,441	1,030	4,442,995
Hawaii.....	1,098,076	300,103	23	797,972	23	1,098,076
Idaho.....	473,158	137,637	113	335,521	113	473,158
Illinois.....	15,453,685	5,997,200	4,345	9,456,485	4,346	15,453,685
Indiana.....	5,851,393	2,542,770	2,716	3,308,624	2,716	5,851,393
Iowa.....	2,883,550	1,072,166	673	1,791,384	673	2,883,550
Kansas.....	1,274,871	473,331	517	801,541	517	1,274,871
Kentucky.....	3,056,279	942,286	1,875	2,113,993	1,875	3,056,279
Louisiana.....	2,158,969	815,011	618	1,343,959	619	2,158,969
Maine.....	969,413	500,995	65	468,418	65	969,413
Maryland (incl. D.C.).....	8,701,567	3,332,280	1,695	5,369,286	1,695	8,701,567
Massachusetts.....	15,701,769	4,275,226	3,969	11,426,541	3,969	15,701,769
Michigan.....	7,729,103	3,394,114	3,686	4,334,989	3,686	7,729,103
Minnesota.....	3,770,201	1,594,843	1,397	2,175,358	1,399	3,770,201
Mississippi.....	1,651,675	593,363	597	1,058,312	597	1,651,675
Missouri.....	6,915,087	2,646,790	2,212	4,268,327	2,212	6,915,087
Montana.....	376,039	200,562	15	175,456	15	376,039
Nebraska.....	1,707,794	683,361	31	1,024,433	31	1,707,794
Nevada.....	171,665	84,390	4	87,275	4	171,665
New Hampshire.....	1,388,646	378,179	314	1,010,467	314	1,388,646
New Jersey.....	8,069,478	3,473,155	1,917	4,596,323	1,917	8,069,478
New Mexico.....	646,326	349,326	15	296,996	15	646,326
New York.....	53,554,152	35,743,808	5,954	17,810,343	5,958	53,554,152
North Carolina.....	5,450,902	1,321,456	2,062	4,129,445	2,166	5,450,902
North Dakota.....	569,568	358,095	16	231,474	16	569,568
Ohio.....	12,202,203	4,740,295	3,861	7,461,909	3,861	12,202,203
Oklahoma.....	3,734,548	1,014,074	1,107	2,720,473	1,107	3,734,548
Oregon.....	2,108,047	1,047,728	1,773	1,060,320	1,773	2,108,049
Pennsylvania.....	18,956,845	6,707,172	5,551	12,249,673	5,552	18,956,845
Rhode Island.....	1,509,330	384,080	1,030	1,125,249	1,030	1,509,330
South Carolina.....	1,311,494	444,779	80	866,715	80	1,311,494
South Dakota.....	1,260,058	755,353	321	504,705	321	1,260,058
Tennessee.....	4,818,685	1,648,280	1,427	2,968,405	1,427	4,818,685
Texas.....	12,023,368	3,714,071	3,650	8,309,297	3,650	12,023,368
Utah.....	1,128,122	384,568	6	743,554	6	1,128,122
Vermont.....	661,823	148,267	58	513,556	58	661,823
Virginia.....	4,871,302	1,234,811	1,568	3,636,490	1,568	4,871,302
Washington.....	3,019,870	1,290,809	2,603	1,729,061	2,603	3,019,870
West Virginia.....	1,695,772	805,311	702	890,462	702	1,695,772
Wisconsin.....	5,151,979	1,857,247	1,144	3,294,732	1,144	5,151,979
Wyoming.....	21,268	403	1	20,865	1	21,268
Foreign.....	4,681,032	1,137,744	72	3,543,289	72	4,681,032

¹Excluding Private Foundations.

Notes: — Indicates Not Reported.

Detail may not add to total because of rounding.

Nonprofit Charitable Organizations, 1982

Table 3. — Returns of Tax-Exempt 501(C)(3)¹ Organizations with Total Revenue: Assets, Liabilities, Revenue and Expenses by Size of Total Revenue, 1982

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

Items	Total	Size of total revenue						
		Negative, zero or not reported	\$1 under \$25,000	\$25,000 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Returns of 501(C)(3) organizations.....	75,738	568	1,110	29,054	22,090	6,709	12,834	3,370
Total assets.....	279,638,066	648,598	309,030	3,104,449	9,347,210	8,129,157	54,739,811	203,359,808
Cash (Non-interest bearing):								
Number of returns.....	65,144	568	1,006	22,600	20,323	6,308	11,685	2,652
Amount.....	4,914,338	12,620	7,451	204,354	510,648	296,469	1,187,571	2,685,223
Savings and temporary cash investments:								
Number of returns.....	52,556	567	628	20,952	14,051	4,876	9,205	2,474
Amount.....	20,341,904	20,129	34,158	675,902	1,521,978	790,152	4,913,832	12,385,750
Accounts receivable (net):								
Number of returns.....	36,759	44	627	6,396	10,260	4,973	11,206	3,251
Amount.....	20,727,742	1,288	2,136	205,566	357,316	159,377	3,311,342	16,690,714
Pledges receivable (net):								
Number of returns.....	4,266	2	1	—	1,447	252	1,890	674
Amount.....	3,036,460	—	1,108	—	63,879	117,412	1,322,646	1,531,413
Grants receivable:								
Number of returns.....	6,036	—	—	1,442	1,647	—	2,441	506
Amount.....	1,565,944	—	—	9,966	52,164	—	826,609	677,204
Receivables due from officers, directors, trustees and key employees:								
Number of returns.....	1,795	—	—	—	961	44	514	275
Amount.....	129,003	—	—	—	8,912	4,470	9,973	105,647
Other notes and loans receivable (net):								
Number of returns.....	9,152	—	482	1,209	2,195	812	2,997	1,453
Amount.....	5,824,257	—	26,691	17,446	162,448	67,166	1,642,407	3,908,096
Inventories for sale or use:								
Number of returns.....	19,035	1	480	3,845	4,918	1,716	5,398	2,674
Amount.....	2,826,729	231	1,159	69,304	94,770	44,062	777,776	1,839,425
Prepaid expenses and deferred charges:								
Number of returns.....	23,832	44	103	2,928	7,792	2,404	7,975	2,584
Amount.....	1,860,943	766	142	58,635	105,901	20,939	305,763	1,368,794
Investments—securities:								
Number of returns.....	14,773	44	2	3,018	2,682	2,401	4,641	1,983
Amount.....	69,745,075	13,825	3,194	462,169	1,225,799	1,446,811	11,918,014	54,675,260
Investments—land, buildings and equipment (minus accumulated depreciation):								
Number of returns.....	6,320	1	—	2,025	1,681	922	1,136	552
Amount.....	6,039,810	1,078	—	108,342	473,925	447,752	1,227,896	3,780,814
Investment—other:								
Number of returns.....	6,803	1	—	583	2,730	398	1,825	1,264
Amount.....	17,970,993	963	—	1,872	483,078	23,947	2,103,468	15,357,863
Land, buildings, and equipment (minus accumulated depreciation):								
Number of returns.....	41,278	87	628	10,857	11,303	5,167	10,112	3,121
Amount.....	107,076,532	596,326	226,693	1,026,924	3,935,190	3,932,834	22,622,063	74,736,500
Other assets:								
Number of returns.....	32,739	86	525	10,435	8,417	3,115	7,494	2,664
Amount.....	17,578,328	1,389	6,294	264,163	351,195	777,757	2,570,446	13,607,100
Total liabilities.....	116,777,538	631,282	259,370	1,277,319	3,259,256	2,888,942	17,877,192	90,584,175
Accounts payable and accrued expenses:								
Number of returns.....	49,336	87	146	12,749	15,077	5,828	12,133	3,314
Amount.....	15,607,320	11,778	2,957	145,988	387,849	269,469	2,728,582	12,060,693
Grants payable:								
Number of returns.....	4,571	—	—	981	1,749	104	1,576	179
Amount.....	2,326,238	—	—	6,455	167,948	85,537	788,406	1,277,889
Support and revenue designated for future periods:								
Number of returns.....	11,200	—	43	3,365	3,309	980	2,960	541
Amount.....	3,414,470	—	794	53,342	182,943	37,322	1,331,696	1,808,371
Loan from officers, directors, trustees and key employees:								
Number of returns.....	2,143	—	—	961	962	1	193	24
Amount.....	278,609	—	—	29,324	3,555	312	136,637	108,779
Mortgages and other notes payable:								
Number of returns.....	24,249	87	148	6,498	6,416	3,262	5,110	2,725
Amount.....	51,845,471	618,402	241,461	842,757	2,215,898	2,218,661	8,698,675	37,011,614
Other liabilities:								
Number of returns.....	29,391	44	45	6,498	9,200	2,829	8,104	2,669
Amount.....	43,305,428	1,101	14,156	199,451	301,059	279,639	4,193,193	38,316,826
Total fund balances/net worth:								
Number of returns.....	75,583	568	1,110	29,054	22,090	6,707	12,732	3,320
Amount.....	162,860,528	17,316	49,660	1,827,129	6,087,955	5,240,213	36,862,619	112,775,633
Total liabilities and fund balances/net worth:								
Number of returns.....	75,738	568	1,110	29,054	22,090	6,709	12,834	3,370
Amount.....	279,638,066	648,598	309,030	3,104,448	9,347,212	8,129,156	54,739,811	203,359,808
Total revenue.....	196,305,700	-284,316	11,526	1,725,526	5,668,599	4,570,995	37,032,402	147,580,967
Total contributions.....	41,272,737	239	4,994	659,378	2,713,353	1,686,522	16,176,374	20,031,874
Contributions, gifts and grants received through direct public support:								
Number of returns.....	55,385	44	1,005	19,408	17,694	5,097	9,320	2,815
Amount.....	17,293,898	239	3,992	466,783	1,128,905	795,240	5,904,118	8,994,619
Contributions, gifts and grants received through indirect public support:								
Number of returns.....	13,361	—	—	3,089	3,659	2,133	3,593	885
Amount.....	4,798,250	—	—	37,431	280,345	268,994	898,801	3,312,677
Contributions, gifts and grants received through government grants:								
Number of returns.....	24,195	—	43	6,351	7,912	1,736	6,720	1,430
Amount.....	19,180,588	—	1,002	155,163	1,304,103	622,287	9,373,454	7,724,577

Footnote(s) at end of table.

Nonprofit Charitable Organizations, 1982

Table 3. — Returns of Tax-Exempt 501(C)(3)¹ Organizations with Total Revenue: Assets, Liabilities, Revenue and Expenses by Size of Total Revenue, 1982 — Continued

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

Items	Total	Size of total revenue						
		Negative, zero or not reported ²	\$1 under \$25,000	\$25,000 under \$100,000	\$100,000 under \$500,000	\$500,000 under \$1,000,000	\$1,000,000 under \$10,000,000	\$10,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Program service revenue:								
Number of returns.....	45,821	523	43	12,909	15,455	5,103	8,926	2,860
Amount.....	124,373,343	115	103	414,059	1,738,059	1,954,152	15,930,438	104,336,413
Membership dues and assessments:								
Number of returns.....	19,438	—	480	10,780	4,971	701	2,296	206
Amount.....	2,476,708	—	79	263,916	312,938	135,425	690,061	1,074,287
Interest on savings and temporary cash investments:								
Number of returns.....	55,146	567	629	20,849	15,280	5,257	8,860	2,701
Amount.....	3,371,905	4,317	3,483	80,941	183,460	157,657	796,296	2,145,748
Dividends and interest from securities:								
Number of returns.....	12,517	—	—	3,703	2,953	1,154	3,331	1,374
Amount.....	5,102,388	—	—	42,294	142,669	102,334	946,333	3,868,757
Gross rents:								
Number of returns.....	12,216	567	147	2,651	4,104	842	2,574	1,328
Amount.....	1,298,963	79,312	43,096	27,218	418,544	77,819	219,453	433,516
Rental expenses:								
Number of returns.....	5,695	567	147	1,485	1,611	49	1,107	727
Amount.....	781,032	96,280	47,587	22,757	271,420	7,584	90,773	244,627
Net rental income (loss):								
Number of returns.....	12,206	567	147	2,651	4,104	842	2,573	1,318
Amount.....	517,931	-16,967	-4,491	4,461	147,124	70,235	128,679	188,889
Other investment income:								
Number of returns.....	2,266	—	1	685	248	194	813	322
Amount.....	996,394	—	482	1,679	9,575	1,214	120,883	862,559
Gross amount from sale of assets-securities:								
Number of returns.....	5,877	—	—	614	1,430	533	2,420	878
Amount.....	35,047,624	—	—	107,605	345,151	293,994	4,368,127	29,932,745
Cost or other basis and sales expenses-securities:								
Number of returns.....	5,627	—	—	614	1,430	533	2,275	774
Amount.....	32,374,860	—	—	114,912	336,675	259,504	4,060,785	27,602,983
Gain (loss)-securities:								
Number of returns.....	5,877	—	—	614	1,430	533	2,422	876
Amount.....	2,672,764	—	—	-7,307	8,475	34,490	307,342	2,329,762
Gross amount from sale of other assets:								
Number of returns.....	6,172	480	480	—	1,765	455	1,926	1,060
Amount.....	1,256,098	158,754	937	—	53,960	61,460	258,609	724,376
Cost or other basis and sales expenses-other assets:								
Number of returns.....	3,876	480	—	—	832	352	1,366	825
Amount.....	1,027,032	431,819	—	—	9,963	28,641	126,019	430,589
Gain (loss)-other assets:								
Number of returns.....	6,823	480	480	—	2,246	454	2,079	1,081
Amount.....	231,065	-273,064	937	—	43,997	32,818	132,590	293,787
Total gain (loss) from sale of assets:								
Number of returns.....	11,022	480	480	614	2,948	986	3,854	1,657
Amount.....	2,903,830	-273,064	937	-7,307	52,472	67,309	439,932	2,623,549
Gross revenue-special fundraising events:								
Number of returns.....	15,946	43	1	8,274	3,747	2,099	1,550	230
Amount.....	1,641,390	44	3,306	236,048	251,234	309,188	610,065	229,501
Direct expenses:								
Number of returns.....	13,644	43	1	7,313	3,061	1,792	1,231	201
Amount.....	741,843	38	3,303	126,336	115,340	122,013	314,678	60,132
Net income (loss):								
Number of returns.....	18,144	43	1	8,377	3,747	2,099	1,652	222
Amount.....	899,545	6	3	111,711	135,893	187,174	295,387	169,368
Gross sales minus returns and allowances:								
Number of returns.....	13,891	1	961	4,050	4,770	1,348	1,929	829
Amount.....	7,960,114	5,969	27,098	105,385	222,204	142,413	1,272,873	6,184,169
Cost of goods sold:								
Number of returns.....	12,903	1	961	3,569	4,769	1,142	1,775	683
Amount.....	2,979,252	6,213	21,544	59,393	151,452	133,435	641,911	1,965,302
Gross profit (loss):								
Number of returns.....	13,846	1	961	4,050	4,770	1,348	1,885	828
Amount.....	4,980,862	-244	5,554	45,991	70,752	8,979	630,962	4,218,866
Other revenue:								
Number of returns.....	37,728	524	1	11,467	11,177	4,013	8,078	2,465
Amount.....	9,410,072	1,280	398	108,399	162,297	199,989	877,052	8,060,653
Total expenses.....	181,288,552	7,917	9,420	1,657,860	5,164,421	4,247,539	33,777,958	136,433,435
Program services:								
Number of returns.....	68,978	567	962	25,440	19,587	6,515	12,658	3,247
Amount.....	151,667,591	914	8,990	1,231,813	3,914,989	3,350,703	27,995,724	115,164,454
Management and general:								
Number of returns.....	59,731	523	—	21,594	17,688	6,368	10,821	2,724
Amount.....	27,424,768	6,970	—	388,647	1,011,003	801,427	5,072,081	20,074,638
Fundraising:								
Number of returns.....	17,522	—	1	4,531	5,574	2,151	4,035	1,228
Amount.....	1,651,038	—	392	37,399	61,843	80,725	524,439	946,239
Payments to affiliates:								
Number of returns.....	3,113	480	480	—	730	685	655	80
Amount.....	555,154	32	38	—	106,585	14,683	185,712	248,102

¹Excluding Private Foundations.
 Note: — Indicates not reported.
 Detail may not add to total because of rounding.

Nonprofit Charitable Organizations, 1982

Table 4. — Returns of Tax-Exempt 501(C)(3)¹ Organizations with Total Functional Expenses by Size of Total Contributions Received, 1982

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

Items	Total (1)	Size of total contributions received							
		Negative, zero or not reported (2)	\$1 under \$25,000 (3)	\$25,000 under \$100,000 (4)	\$100,000 under \$500,000 (5)	\$500,000 under \$1,000,000 (6)	\$1,000,000 under \$10,000,000 (7)	\$10,000,000 or more (8)	
Returns of 501(C)(3) returns.....	75,738	15,712	17,400	15,466	16,226	3,795	6,700	435	
Total functional expenditures.....	180,777,090	26,960,959	10,588,623	14,969,669	32,233,571	17,248,418	49,291,993	29,483,835	
Total grants and allocations:									
Number of returns.....	16,443	2,566	6,343	1,859	3,462	584	1,300	325	
Amount.....	7,884,708	308,925	202,712	121,870	325,560	313,625	2,214,537	4,377,475	
Total specific assistance to individuals:									
Number of returns.....	4,704	484	586	1,173	1,210	400	827	21	
Amount.....	8,838,154	7,884,490	8,851	18,022	30,897	44,645	643,092	208,154	
Total benefits paid to or for members:									
Number of returns.....	1,634	503	484	485	114	9	28	8	
Amount.....	312,553	136,123	21,928	65,590	29,542	1,775	10,544	47,049	
Total compensation of officers, directors:									
Number of returns.....	23,111	4,307	3,839	5,043	6,606	1,084	1,908	321	
Amount.....	1,408,089	214,236	102,062	205,938	347,034	90,581	347,007	99,228	
Total other salaries and wages:									
Number of returns.....	55,308	9,741	10,443	11,072	13,728	3,524	6,387	412	
Amount.....	70,251,632	6,493,381	4,594,554	6,498,222	13,792,589	7,694,666	21,009,399	11,170,797	
Total pension plan contributions:									
Number of returns.....	17,370	1,687	1,914	3,421	5,240	1,553	3,211	341	
Amount.....	2,436,381	203,252	111,828	203,296	485,456	236,001	702,863	513,659	
Total other employee benefits:									
Number of returns.....	37,176	4,953	5,380	6,459	11,844	3,219	5,153	385	
Amount.....	5,704,189	501,236	291,435	524,995	1,077,733	654,334	1,787,948	858,503	
Total payroll taxes:									
Number of returns.....	42,750	8,173	7,412	8,065	11,698	2,076	4,972	348	
Amount.....	4,026,937	329,780	294,021	381,863	787,571	411,393	1,261,497	561,010	
Total professional fundraising fees:									
Number of returns.....	1,841	2	482	54	429	327	505	140	
Amount.....	69,405	59	1,082	956	5,487	6,399	39,027	16,392	
Total accounting fees:									
Number of returns.....	43,411	9,601	9,229	7,014	10,695	2,395	4,147	327	
Amount.....	376,191	53,583	26,530	34,862	85,433	35,324	117,077	23,378	
Total legal fees:									
Number of returns.....	20,110	5,325	3,373	3,354	3,079	2,165	2,505	307	
Amount.....	379,989	50,285	25,210	33,184	58,343	37,974	135,818	39,351	
Total supplies:									
Number of returns.....	57,566	9,403	12,378	11,746	14,355	3,269	6,034	375	
Amount.....	14,099,705	1,237,590	1,148,197	1,457,272	3,128,096	1,678,916	3,740,136	1,711,485	
Total telephone:									
Number of returns.....	56,476	10,769	12,306	10,810	13,742	3,389	5,021	360	
Amount.....	1,282,037	108,993	70,282	89,327	216,114	129,523	428,959	241,826	
Total postage and shipping:									
Number of returns.....	45,385	6,559	10,734	8,720	11,847	2,835	4,352	345	
Amount.....	598,608	57,703	27,841	28,403	88,968	36,310	201,252	158,530	
Total occupancy:									
Number of returns.....	38,066	5,582	5,893	6,578	10,009	2,401	3,259	342	
Amount.....	4,117,020	259,407	139,438	373,031	690,395	339,103	1,589,617	726,027	
Total equipment rental and maintenance:									
Number of returns.....	39,503	4,544	7,053	6,832	11,213	2,896	4,618	343	
Amount.....	2,243,878	190,990	115,007	181,830	379,059	215,122	648,961	512,908	
Total printing and publications:									
Number of returns.....	41,312	6,901	7,201	9,302	11,346	2,376	3,850	333	
Amount.....	1,073,817	120,242	21,368	66,536	200,421	60,296	337,627	267,122	
Total travel:									
Number of returns.....	44,846	7,329	8,182	9,056	11,144	2,963	5,630	359	
Amount.....	1,359,346	134,464	43,092	56,624	156,855	80,505	477,954	409,849	
Total conferences, conventions and meetings:									
Number of returns.....	27,906	6,429	5,651	4,187	7,282	1,303	2,779	272	
Amount.....	368,510	114,278	17,230	30,922	41,828	26,141	86,749	51,360	
Total interest:									
Number of returns.....	23,881	3,866	5,616	4,001	6,616	1,149	2,558	272	
Amount.....	3,428,471	683,599	312,043	346,666	728,448	339,878	684,777	350,858	
Total depreciation, depletion:									
Number of returns.....	31,622	4,702	5,622	6,859	8,182	2,018	3,920	315	
Amount.....	4,893,642	532,698	411,287	605,662	1,251,650	668,813	1,159,725	363,603	
Total other expenses:									
Number of returns.....	73,170	15,442	16,348	14,880	15,632	3,749	6,684	433	
Amount.....	45,547,655	8,365,832	2,804,804	3,848,406	8,348,082	4,148,062	11,659,416	6,777,251	

¹Excluding Private Foundations.

Note: — Indicates Not Reported.

Detail may not add to total because of rounding.

Individual Income Tax Rates, 1983

By Daniel Holik*

The Economic Recovery Tax Act of 1981 introduced major changes in the rate schedules used to compute individual income taxes, providing for annual cuts in tax rates through Tax Year 1984 [1]. Individual income tax rate data for Tax Year 1983 reflect the impact of the third year of tax rate cuts [2]. The average tax rate on returns that showed a tax fell from 15.4 percent of adjusted gross income (AGI) for 1982 to 14.4 percent for 1983 (Figure A). The average total income tax reported per return for 1983 was \$3,514, a \$90 decrease from 1982, as shown in Figure B.

The AGI class of the median taxable return for the 1983 statistics remained the same as for 1981 and 1982--between \$17,000 and \$19,000, even though the adjusted gross income reported on taxable returns [3], rose by \$91.4 billion

(5 percent) from Tax Year 1982 to Tax Year 1983. For further information on the number of returns, income tax, and average tax by size of AGI, see Table 3 of the Selected Statistical Series at the end of this report.

CALCULATION OF TAXES FOR 1983

For Tax Year 1983, taxpayers used one of four different tax rate schedules [4], depending on the taxpayer's filing status. There were separate schedules for: married persons filing joint returns [5]; married persons filing returns separately from their spouses; individuals qualifying as heads of households; and single individuals. Each schedule contained rates ranging from 0 through 50 percent [6].

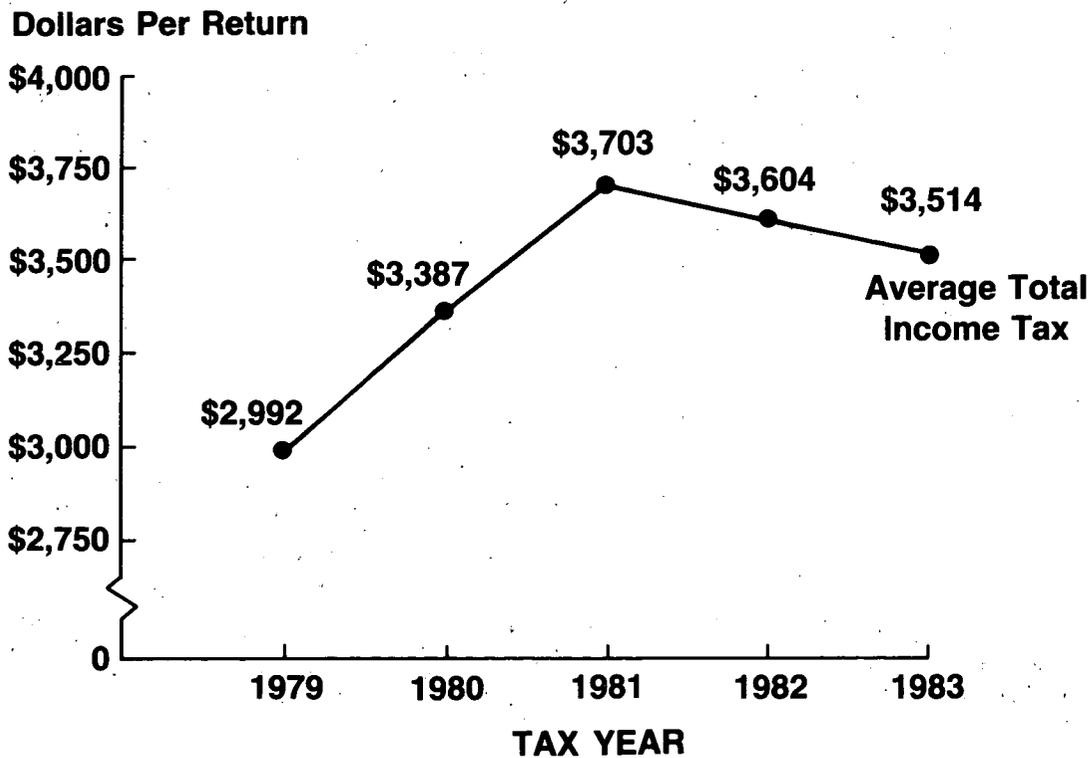
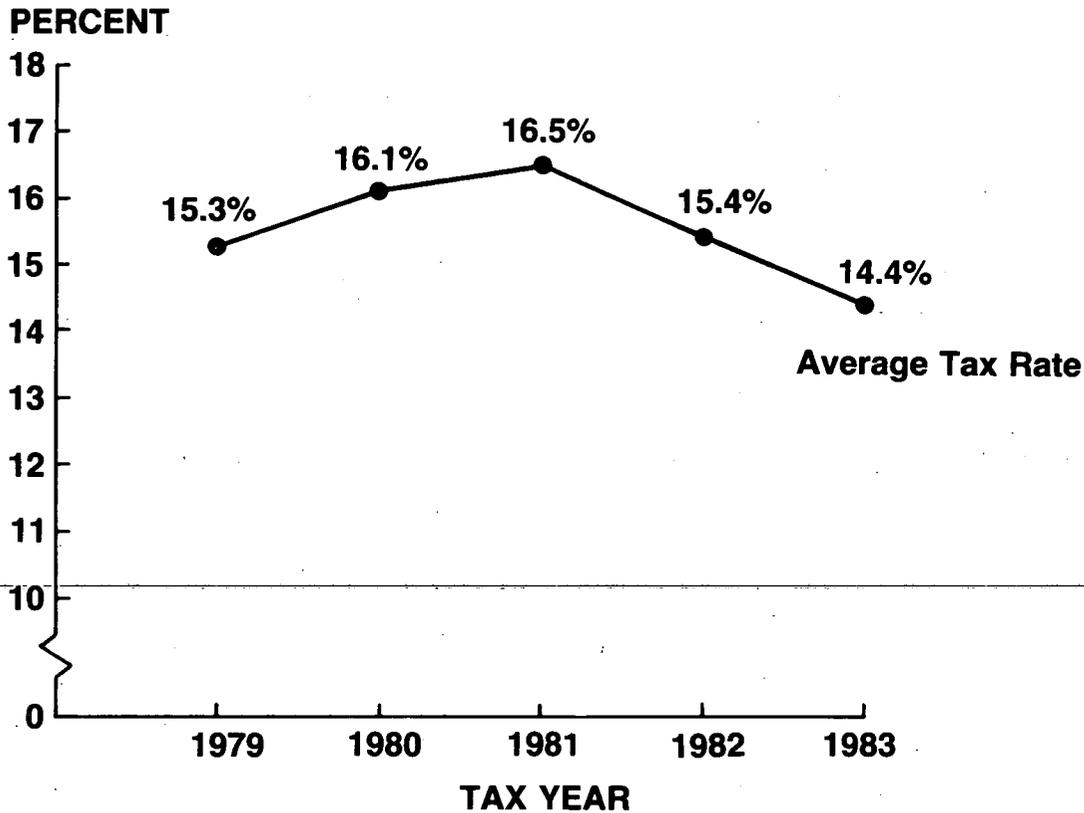
Figure A.--Taxable Returns: Adjusted Gross Income, Total Income Tax, Average Total Income Tax, and Average Tax Rate, 1979-1983

Item	Tax year				
	1979	1980	1981	1982	1983
	(1)	(2)	(3)	(4)	(5)
Total number of returns.....	92,694,302	93,902,469	95,396,123	95,337,432	96,321,310
Taxable returns:					
Number of returns.....	71,694,983	73,906,244	76,724,724	77,035,300	78,016,323
Adjusted gross income (billions)....	\$1,402	\$1,556	\$1,721	\$1,804	\$1,895
Total income tax (billions).....	214	250	284	278	274
Average total income tax (dollars)...	2,992	3,387	3,703	3,604	3,514
Average tax rate.....	15.3%	16.1%	16.5%	15.4%	14.4%

NOTE: The average total income tax per return and average tax rate were calculated before rounding. Average tax rate was computed as a percent of adjusted gross income.

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

Figure B.
Taxable Returns: Average Tax Rate and
Average Total Income Tax, 1979-1983



The application of different tax rates from a schedule to a particular return is illustrated in Figure C, which shows how tax was calculated for 1983 for a married couple filing a joint return with a \$22,000 AGI. Taxpayers who filed joint returns for 1983 had a tax rate of zero percent applied to the first \$3,400 of taxable income [7,8], a rate of 11 percent applied to the next \$2,100, a rate of 13 percent applied to the next \$2,100, and so forth.

Figure C.--Calculation of Tax, Joint Return With Income Subject to Tax at Regular Rates, 1983

Adjusted gross income	\$22,000
Exemption amount (2 X \$1,000)	-2,000
Taxable income.....	<u>\$20,000</u>

Derivation of Tax Computed from the Tax Rate Schedule:

First \$3,400 taxed at 0%	\$0
Next \$2,100 taxed at 11%	231
Next \$2,100 taxed at 13%	273
Next \$4,300 taxed at 15%	645
Next \$4,100 taxed at 17%	697
Next \$4,000 taxed at 19%	760
	<u>\$20,000</u>

Tax \$2,606

To simplify tax computation and reduce errors, taxpayers with less than \$50,000 of taxable income and who did not "income average" were required to use the 1983 Tax Table instead of the tax rate schedules to determine tax. The tax shown in the Tax Table is equal to the tax on the midpoint of the income bracket, as calculated from the appropriate tax rate schedule, rounded to the nearest whole dollar. According to the 1983 Tax Table, the tax for married taxpayers filing a joint return with \$20,000 to \$20,050 of income was \$2,611. Note that in this example, the Tax Table tax shown is greater than the tax computed from the tax rate schedule (Figure C), since the tax table tax was computed on the midpoint (\$20,025) of the \$20,000 to \$20,050 income bracket.

The regular and income averaging methods of tax computation were the only methods of tax computation available for Tax Year 1983 [4, 8]. Choice of the income averaging computation permitted part of an unusually large amount of income for 1983 to be taxed at lower rates, thus resulting in a lower amount of tax due than would have resulted if taxpayers had computed their tax using the regular method. If the income averaging computation was used, the income tax before credits had to be computed from the tax rate schedules rather than the Tax Tables.

Marginal Tax Rates

As shown in Figure C, a particular return can have portions of income taxed at different rates. However, each return has only one marginal tax rate, which is the highest tax rate applied to that return. In Figure C, the taxpayers had portions of income taxed at six tax rates ranging from 0 percent to 19 percent. The marginal tax rate is the highest rate used, in this instance 19 percent.

Marginal tax rate data for Tax Year 1983 are presented in Tables 1 and 2 [8]. Returns are classified by two different methods in Table 1. In columns 1 through 9, a return is classified by the marginal or highest rate. For example, Table 1, line 7, column 1, shows that there were 1,187,845 returns for which the marginal tax rate was 18 percent, while columns 5 and 6 show that, for these returns, the amount of tax generated at the 11 through 18 percent rates totaled \$1.3 billion and the amount of tax generated solely at the marginal rate of 18 percent totaled \$0.3 billion. (Note that dollar amounts presented in this section and in the tables were rounded during statistical processing.) In columns 10 through 12, a return is classified by each rate that generated a tax. For example, line 7, columns 10, 11, and 12, shows that 4,114,060 returns had income taxed at the 18 percent rate; \$10.8 billion of this income was taxed at the 18 percent rate and \$1.9 billion of income tax was generated at the 18 percent tax rate, respectively.

The amount of tax generated by each specific tax rate, ranging from 11 to 50 percent, as well as the corresponding number of returns and the amount of income subject to tax, are presented in Table 2. These data are classified by size of AGI. For example, line 9, columns 1, 7, 8 and 9, show that of the 4,967,333 returns with an AGI between \$14,000 and \$16,000 and with income subject to tax, 4,942,255 returns had a portion of income taxed at the 11 percent rate (just to pick one rate). These 4,942,255 returns had \$8.2 billion of income subject to tax at the 11 percent rate, which generated \$0.9 billion of tax.

Definitions

Individual income tax concepts are complex, and complete definitions of all tax concepts are beyond the scope of this article. Extensive definitions of the technical terms used in this article and tables--for example, taxable income, tax generated and income averaging, may be found in the Statistics of Income report for 1983. The following list presents brief definitions of the major tax concepts discussed in this article.

Adjusted Gross Income.--Adjusted gross income (AGI) was computed by subtracting statutory adjustments (primarily business, investment or employee-related deductions, such as payments to an IRA), from total income recognized under the tax code. Total income, in turn, included only the net amounts from salaries and wages, business income, capital gains, rents, royalties, etc.

Total Income Tax.--Total income tax was the sum of income tax after credits and the additional tax for tax preferences (primarily the alternative minimum tax).

Average Tax Rate.--The average tax rate presented in this article was the ratio of total income tax to AGI.

Marginal Tax Rate.--The marginal tax rate was the highest tax rate applied to any portion of income from a return.

Income Subject To Tax.--Income subject to tax was the technical term used to describe the actual tax base computed for the statistics. For taxpayers using the regular tax computation method, income subject to tax was identical to "taxable income" (AGI less the personal exemption amount and allowable itemized deductions). For taxpayers using the income averaging method, income subject to tax was specially computed for the statistics by working backwards from the tax and imputing an income from the tax reported as if income averaging had not been used.

Tax Generated.--This was the tax computed from the tax rate schedules on the amount of income subject to tax shown in the statistics. For most returns (those without one of the "taxes from special computations") [9], tax generated equalled income tax before credits.

DATA SOURCES AND LIMITATIONS

These statistics are based on a sample of individual income tax returns, Forms 1040, 1040A, and 1040EZ, filed with the Internal Revenue Service in 1984. Returns in the sample were stratified based on the presence or absence of Schedule C, Profit (or Loss) from Business or Profession; state for which filed; adjusted gross income or deficit, or largest of selected sources of income or loss; and size of business plus farm receipts. Returns were selected at rates ranging from 0.03 percent to 100 percent, resulting in 122,977 returns being selected from a population of 96,563,687.

Because the data presented in this article are estimates based on a sample, they are subject to sampling, as well as nonsampling, error. To make proper use of the statistical data provided, one must know the magnitude of the potential sampling error.

The following table presents approximate coefficients of variation (CV's) for frequency estimates. The approximate CV's shown here are intended only as a general indication of the reliability of the data.

For a number other than those shown, the corresponding CV's can be estimated by interpolation.

<u>Number of Returns</u>	<u>Approximate Coefficient of Variation</u>
7,123,800	0.02
1,139,812	0.05
285,000	0.10
71,200	0.20
31,700	0.30
11,400	0.50

The reliability of estimates based on samples, the use of coefficients of variation for evaluating the precision of sample estimates, and nonsampling error considerations are discussed in the Appendix.

NOTES AND REFERENCES

- [1] The Economic Recovery Tax Act of 1981 also provided for indexing of the Tax Rate Schedules and the exemption amount, beginning with Tax Year 1985.
- [2] For further information on tax law changes for 1983, see the Statistics of Income report for 1983.
- [3] A return was considered to be taxable if "total income tax" (the sum of income tax after credits and additional tax for tax preferences) was present. "Total income tax" did not include other taxes, such as tax from recomputing prior-year investment credit, self-employment tax, Social Security tax on tips, etc.
- [4] In addition, certain income and deduction items, described as "tax preferences," were given special treatment in the computation of tax, and were subject to the alternative minimum tax instead of tax computed from the tax rate schedules. For Tax Year 1983, the alternative minimum tax, if any, was imposed on "alternative minimum taxable income" at a 20 percent rate.
- [5] Taxpayers claiming surviving spouse status used the same tax rate schedule as married taxpayers filing joint returns.
- [6] The 1983 tax rate schedules were published in the 1983 Instructions for Preparing Form 1040, page 41.

[7] Tables 1 and 2 use the concept of "income subject to tax" as well as "taxable income." Technical explanations of "taxable income" and "income subject to tax" are presented in the Definitions Section of this article.

[8] Tables 1 and 2 use the concept of income subject to tax, and include returns with the regular or the income averaging tax computation. For returns with the regular method of tax computation, income subject to tax was the amount taxpayers used with the tax tables or the tax rate schedules to determine tax. Income averaging returns are shown in the same manner as returns with the regular tax computation, except that an imputed income subject to tax that does not take averaging into account is

used for the sake of simplifying statistical processing in determining the marginal tax rate.

Tables 1 and 2 do not include any tax attributable to the alternative minimum tax. This tax was computed on a different base. For further information on the alternative minimum tax, see the Statistics of Income report for 1983.

[9] Taxes from special computations included Section 72 penalty tax from premature or excess distributions from a self-employed retirement (Keogh) plan or a trust, tax on accumulation distributions of trusts, and the tax on the ordinary income part of lump-sum distribution.

Table 1 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed

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

Tax rate classes	All returns											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Income subject to tax		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of income subject to tax			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
All marginal rates	90,816,724	1,957,193,414	1,538,238,251	239,241,583	279,043,943	71,335,843	271,627,294	13.9	17.7	90,816,724	1,538,238,251	279,043,943
0 percent	10,241,631	37,194,104	13,714,544	13,714,544	—	—	13,211	()	0.1	90,816,724	244,629,400	—
11 percent	6,673,952	40,177,805	22,888,546	5,173,116	565,750	569,043	389,212	1.0	1.7	80,575,093	132,263,809	14,549,019
13 percent	5,785,666	46,705,993	30,002,854	4,664,165	1,658,746	606,341	1,366,675	2.9	4.6	73,901,141	119,674,963	15,557,745
15 percent	14,132,745	146,167,801	107,581,130	27,433,935	9,172,706	4,115,090	8,694,261	5.9	8.1	68,115,475	246,393,466	36,959,020
17 percent	8,330,386	130,960,131	100,516,110	13,686,606	10,859,747	2,326,723	10,434,065	8.0	10.4	49,868,670	158,951,639	27,021,779
18 percent	1,187,845	16,032,172	12,093,591	1,759,340	1,306,750	316,681	1,139,362	7.1	9.4	4,114,060	10,830,606	1,949,509
19 percent	9,101,399	181,560,055	142,611,434	15,673,570	17,678,780	2,977,978	17,009,073	9.4	11.9	44,464,499	138,879,349	26,387,076
21 percent	2,862,329	48,418,213	41,796,729	3,314,801	5,680,707	696,108	5,585,574	11.5	13.4	12,744,724	25,424,398	5,339,124
23 percent	5,625,610	161,036,492	125,239,845	12,383,546	17,617,109	2,848,216	17,092,512	10.6	13.6	22,618,376	86,658,833	19,931,072
24 percent	2,679,437	50,199,334	44,327,567	4,136,012	6,610,080	992,643	6,583,097	13.1	14.9	8,590,970	23,052,918	5,532,700
25 percent	717,738	18,204,550	14,797,002	1,734,170	2,351,094	433,543	2,270,973	12.5	15.3	1,271,425	4,668,711	1,167,178
26 percent	5,624,855	190,928,162	151,582,127	14,043,195	24,089,005	3,651,231	23,485,988	12.3	15.5	16,992,766	73,876,374	19,207,857
28 percent	2,862,298	66,881,624	59,050,136	6,956,312	10,146,846	1,947,767	10,077,198	15.1	17.1	5,911,533	23,117,258	6,472,832
29 percent	298,858	9,332,863	7,691,227	668,064	1,388,107	193,739	1,352,983	14.5	17.6	553,687	2,018,658	585,411
30 percent	4,197,801	166,949,150	135,097,874	10,247,255	24,092,192	3,074,176	23,495,365	14.1	17.4	11,367,911	47,949,722	14,384,916
32 percent	1,580,014	46,353,361	40,792,587	3,662,258	8,042,609	1,171,923	7,998,022	17.3	19.6	3,049,235	11,449,130	3,663,722
34 percent	122,785	4,649,393	3,831,577	295,369	779,852	100,425	756,403	16.3	19.7	254,829	995,202	338,369
35 percent	4,049,996	196,355,444	159,351,255	17,560,058	32,826,448	6,146,020	32,249,623	16.4	20.2	7,170,110	50,266,506	17,593,277
36 percent	672,438	23,963,829	20,825,898	1,459,684	4,590,018	525,486	4,547,252	19.0	21.8	1,469,221	5,682,634	2,045,748
37 percent	80,667	3,679,286	3,067,025	316,280	708,750	117,024	702,080	19.1	22.9	132,044	860,876	318,524
40 percent	2,068,920	122,911,744	100,207,344	10,636,295	24,561,001	4,254,518	24,128,382	19.6	24.1	3,916,897	33,765,855	13,506,342
44 percent	842,641	72,073,205	57,489,163	7,905,237	16,692,556	3,478,304	16,281,626	22.6	28.3	1,477,672	23,729,807	10,441,115
45 percent	236,934	13,279,935	11,122,593	1,289,832	3,165,958	580,424	3,132,775	23.6	28.2	421,682	3,839,354	1,727,709
48 percent	261,970	30,712,886	24,437,534	2,574,981	8,191,408	1,235,991	7,959,303	25.9	32.6	635,031	11,307,825	5,427,756
50 percent	557,809	132,465,882	108,122,560	57,952,957	46,267,725	28,976,479	44,882,278	33.9	41.5	557,809	57,952,957	28,976,479

Footnote(s) at end of table.

Table 1 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed — Continued

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

Tax rate classes	Joint returns and returns of surviving spouses											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Income subject to tax		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of income subject to tax			
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	
All marginal rates	44,487,300	1,371,571,076	1,057,164,106	159,545,805	203,303,186	52,286,640	197,574,372	14.4	18.7	44,487,300	1,057,164,106	203,303,186
0 percent	2,609,092	17,172,536	4,852,307	4,852,307	—	—	12,033	0.1	0.2	4,487,300	147,238,214	—
11 percent	2,186,154	20,071,766	9,742,251	2,309,327	252,944	254,026	177,704	0.9	1.8	41,878,208	85,662,641	9,422,890
13 percent	2,254,761	25,052,882	14,816,566	2,415,381	833,740	313,999	731,345	2.9	4.9	39,692,054	81,033,696	10,534,380
15 percent	4,945,106	72,060,407	48,226,391	10,643,586	4,086,470	1,596,538	3,825,108	5.3	7.9	37,437,293	150,359,990	22,553,998
17 percent	4,809,175	92,121,748	67,047,747	9,818,565	7,192,362	1,669,156	6,803,109	7.4	10.1	32,492,187	123,318,914	20,964,215
18 percent	—	—	—	—	—	—	—	—	—	—	—	—
19 percent	5,366,912	127,877,003	97,236,935	11,366,343	12,064,142	2,159,605	11,564,596	9.0	11.9	27,683,012	105,093,963	19,967,853
21 percent	—	—	—	—	—	—	—	—	—	—	—	—
23 percent	5,548,281	159,934,631	124,385,834	12,310,558	17,498,130	2,831,428	16,977,153	10.6	13.6	22,316,100	86,088,962	19,800,461
24 percent	—	—	—	—	—	—	—	—	—	—	—	—
25 percent	—	—	—	—	—	—	—	—	—	—	—	—
26 percent	5,557,172	189,798,481	150,679,699	13,973,267	23,947,139	3,633,050	23,346,563	12.3	15.5	16,767,819	73,389,696	19,081,321
28 percent	—	—	—	—	—	—	—	—	—	—	—	—
29 percent	—	—	—	—	—	—	—	—	—	—	—	—
30 percent	4,153,411	166,068,886	134,376,074	10,189,085	23,963,036	3,056,726	23,372,398	14.1	17.4	11,210,647	47,592,436	14,277,731
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
34 percent	—	—	—	—	—	—	—	—	—	—	—	—
35 percent	4,006,322	195,263,478	158,468,745	17,446,211	32,641,970	6,106,174	32,066,614	16.4	20.2	7,057,236	49,785,899	17,425,065
36 percent	—	—	—	—	—	—	—	—	—	—	—	—
37 percent	—	—	—	—	—	—	—	—	—	—	—	—
40 percent	1,659,024	105,574,823	85,348,381	9,365,082	20,889,718	3,746,033	20,485,955	19.4	24.0	3,050,914	29,129,920	11,651,968
44 percent	796,143	69,419,426	55,423,174	7,654,594	16,117,013	3,368,021	15,719,282	22.6	28.4	1,391,890	22,905,717	10,078,516
45 percent	—	—	—	—	—	—	—	—	—	—	—	—
48 percent	244,379	29,296,083	23,361,014	2,442,171	7,838,272	1,172,242	7,613,064	26.0	32.6	595,747	10,804,730	5,186,270
50 percent	351,368	101,858,928	83,198,986	44,759,327	35,978,248	22,379,664	34,879,449	34.2	41.9	351,368	44,759,327	22,379,664

Footnote(s) at end of table.

Table 1 -- Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed -- Continued

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

Tax rate classes	Separate returns of husbands and wives											
	Classified by the highest marginal rate at which tax was computed					Classified by each rate at which tax was computed						
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
All marginal rates	866,026	12,277,376	9,498,114	1,927,450	1,998,378	702,666	1,945,656	15.6	20.5	866,026	9,498,114	1,998,378
0 percent	76,214	217,266	65,069	65,069	1,998,378	702,666	(¹)	(¹)	(¹)	866,026	9,498,114	1,998,378
11 percent	65,715	305,936	141,448	29,733	3,237	3,271	2,832	0.9	2.0	769,812	1,407,749	86,904
13 percent	70,827	351,723	231,087	36,312	12,869	4,721	13,363	3.8	5.8	724,097	790,034	83,892
15 percent	114,098	789,575	557,940	124,368	47,350	18,655	42,846	5.4	7.7	653,270	722,246	192,538
17 percent	129,401	1,144,272	912,933	142,997	98,579	24,310	96,707	8.5	10.6	539,172	1,283,588	167,115
18 percent	—	—	—	—	—	—	—	—	—	—	—	—
19 percent	107,495	1,195,503	973,884	113,924	120,809	21,646	115,435	9.7	11.9	409,771	748,704	142,254
21 percent	—	—	—	—	—	—	—	—	—	—	—	—
23 percent	77,329	1,101,861	854,011	72,988	118,979	16,787	115,358	10.5	13.5	302,276	567,871	130,610
24 percent	—	—	—	—	—	—	—	—	—	—	—	—
25 percent	—	—	—	—	—	—	—	—	—	—	—	—
26 percent	67,683	1,129,681	902,429	69,928	141,866	18,181	139,424	12.3	15.4	224,947	486,678	126,536
28 percent	—	—	—	—	—	—	—	—	—	—	—	—
29 percent	—	—	—	—	—	—	—	—	—	—	—	—
30 percent	44,390	880,264	721,800	58,169	129,157	17,451	122,967	14.0	17.0	157,264	357,285	107,186
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
34 percent	43,674	1,091,966	882,510	113,847	164,477	39,847	183,009	16.6	20.7	112,874	480,607	166,213
35 percent	—	—	—	—	—	—	—	—	—	—	—	—
36 percent	—	—	—	—	—	—	—	—	—	—	—	—
37 percent	—	—	—	—	—	—	—	—	—	—	—	—
40 percent	34,795	1,064,298	869,880	73,074	209,003	29,230	205,743	19.3	23.7	69,200	317,350	126,940
44 percent	17,898	728,553	607,905	70,935	174,520	31,211	171,484	23.5	28.2	34,405	282,212	124,173
45 percent	—	—	—	—	—	—	—	—	—	—	—	—
48 percent	6,871	444,094	327,806	33,727	109,898	16,189	109,498	24.7	33.4	16,506	148,983	71,284
50 percent	9,635	1,832,381	1,449,413	922,379	647,635	461,188	626,988	34.2	43.3	9,635	922,379	461,189

Footnote(s) at end of table.

Table 1 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed — Continued

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

Tax rate classes	Returns of heads of households											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Income subject to tax		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of income subject to tax			
(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	
All marginal rates	8,082,248	118,481,801	87,907,139	13,313,542	12,598,378	2,931,611	11,581,368	9.8	13.2	8,082,248	87,907,139	12,598,378
0 percent	926,665	4,022,106	1,153,277	1,153,277	—	—	7	()	()	8,082,248	17,611,118	—
11 percent	1,011,994	6,506,690	3,367,112	1,039,525	113,845	114,348	14,975	0.2	0.4	7,155,583	13,941,082	1,533,517
13 percent	978,464	8,547,756	5,344,619	1,039,378	360,655	135,119	161,589	1.9	3.0	6,143,589	11,886,140	1,545,198
15 percent	1,051,065	11,216,106	7,875,059	1,043,136	685,687	156,470	536,272	4.8	6.8	5,165,125	10,094,068	1,514,110
17 percent	—	—	—	—	—	—	—	—	—	—	—	—
18 percent	1,187,845	16,032,172	12,093,591	1,759,340	1,306,750	316,681	1,139,362	7.1	9.4	4,114,060	10,830,606	1,949,509
19 percent	1,035,798	17,605,418	13,809,767	1,587,350	1,742,886	301,597	1,607,191	9.1	11.6	2,926,215	7,636,685	1,450,970
21 percent	618,992	12,776,889	10,193,136	908,256	1,428,383	190,734	1,362,905	10.7	13.4	1,890,417	4,976,816	1,045,131
23 percent	—	—	—	—	—	—	—	—	—	—	—	—
24 percent	—	—	—	—	—	—	—	—	—	—	—	—
25 percent	—	—	—	—	—	—	—	—	—	—	—	—
26 percent	717,738	18,204,550	14,797,002	1,734,170	2,351,094	433,543	2,270,973	12.5	15.3	1,271,425	4,668,711	1,167,178
28 percent	—	—	—	—	—	—	—	—	—	—	—	—
29 percent	—	—	—	—	—	—	—	—	—	—	—	—
30 percent	298,858	9,332,863	7,691,227	668,064	1,388,107	193,739	1,352,983	14.5	17.6	553,687	2,018,658	585,411
32 percent	—	—	—	—	—	—	—	—	—	—	—	—
34 percent	—	—	—	—	—	—	—	—	—	—	—	—
35 percent	122,785	4,649,393	3,831,577	295,369	779,852	100,425	756,403	16.3	19.7	254,829	995,202	338,369
36 percent	—	—	—	—	—	—	—	—	—	—	—	—
37 percent	80,667	3,679,286	3,067,025	316,280	708,750	117,024	702,080	19.1	22.9	132,044	860,876	318,524
40 percent	—	—	—	—	—	—	—	—	—	—	—	—
44 percent	—	—	—	—	—	—	—	—	—	—	—	—
45 percent	28,599	1,925,225	1,458,084	179,708	401,022	79,072	390,861	20.3	26.8	51,377	541,878	238,427
48 percent	10,720	972,709	748,714	99,082	243,237	47,559	236,741	24.3	31.6	22,778	354,712	170,262
50 percent	12,058	3,010,636	2,476,950	1,490,605	1,088,109	745,303	1,049,026	34.8	42.4	12,058	1,490,605	745,303

Footnote(s) at end of table.

Table 1 — Income Subject to Tax and Tax, Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed — Continued

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

Tax rate classes	Returns of single persons											
	Classified by the highest marginal rate at which tax was computed									Classified by each rate at which tax was computed		
	Number of returns	Adjusted gross income	Income subject to tax		Tax generated		Income tax after credits			Number of returns	Income taxed at rate	Income tax generated at rate
			At all rates	At marginal rate	At all rates	At marginal rate	Total	As a percent of adjusted gross income	As a percent of income subject to tax			
(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	
All marginal rates	37,381,150	454,863,162	383,668,892	64,454,787	61,144,001	15,414,906	60,525,897	13.3	15.8	37,381,150	383,668,892	61,144,001
0 percent	6,629,660	15,782,196	7,643,891	7,643,891	—	—	1,172	()	()	37,381,150	78,372,318	—
11 percent	3,410,089	13,293,413	9,637,736	1,794,531	195,725	197,398	193,702	1.5	2.0	30,751,490	31,870,072	3,505,708
13 percent	2,481,614	12,753,632	9,610,582	1,173,094	451,482	152,502	460,378	3.6	4.8	27,341,401	26,032,881	3,384,275
15 percent	8,022,476	62,101,714	50,921,740	15,622,845	4,353,199	2,343,427	4,290,036	6.9	8.4	24,859,787	84,655,820	12,698,373
17 percent	3,391,810	37,694,111	32,555,429	3,725,044	3,568,806	633,258	3,534,248	9.4	10.9	16,837,311	34,649,697	5,890,448
18 percent	—	—	—	—	—	—	—	—	—	—	—	—
19 percent	2,591,194	34,882,131	30,590,848	2,605,952	3,750,942	495,131	3,721,851	10.7	12.2	13,445,501	25,399,997	4,825,999
21 percent	2,263,337	35,641,323	31,603,592	2,406,545	4,252,323	505,374	4,222,669	11.8	13.4	10,854,307	20,447,582	4,293,992
23 percent	—	—	—	—	—	—	—	—	—	—	—	—
24 percent	2,679,437	50,199,334	44,327,567	4,136,012	6,610,080	992,643	6,583,097	13.1	14.9	8,590,970	23,052,918	5,532,700
25 percent	—	—	—	—	—	—	—	—	—	—	—	—
26 percent	—	—	—	—	—	—	—	—	—	—	—	—
28 percent	2,862,298	66,881,624	59,050,136	6,956,312	10,146,846	1,947,767	10,077,198	15.1	17.1	5,911,533	23,117,258	6,472,832
29 percent	—	—	—	—	—	—	—	—	—	—	—	—
30 percent	—	—	—	—	—	—	—	—	—	—	—	—
32 percent	1,580,014	46,353,361	40,792,587	3,662,258	8,042,609	1,171,923	7,998,022	17.3	19.6	3,049,235	11,449,130	3,663,722
34 percent	—	—	—	—	—	—	—	—	—	—	—	—
35 percent	—	—	—	—	—	—	—	—	—	—	—	—
36 percent	672,438	23,963,829	20,825,898	1,459,684	4,590,018	525,486	4,547,252	19.0	21.8	1,469,221	5,682,634	2,045,748
37 percent	—	—	—	—	—	—	—	—	—	—	—	—
40 percent	375,101	16,272,622	13,989,083	1,198,139	3,462,279	479,255	3,436,683	21.1	24.6	796,783	4,318,585	1,727,434
44 percent	—	—	—	—	—	—	—	—	—	—	—	—
45 percent	236,934	13,279,935	11,122,593	1,289,832	3,165,958	580,424	3,132,775	23.6	28.2	421,682	3,839,354	1,727,709
48 percent	—	—	—	—	—	—	—	—	—	—	—	—
50 percent	184,748	25,763,937	20,997,210	10,780,646	8,553,733	5,390,323	8,326,815	32.3	39.7	184,748	10,780,646	5,390,323

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

() Less than \$500.

() Less than 0.05 percent.

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

Table 2 — All Returns With Income Subject to Tax: Tax Generated by Rate and by Size of Adjusted Gross Income

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

Size of adjusted gross income	Number of returns with income subject to tax	Taxable income	Income subject to tax	Tax generated at all rates	Tax generated at specified rate										
					0 percent		11 percent			13 percent			15 percent		
					Number of returns	Income subject to tax	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
Total	90,816,724	1,544,872,497	1,538,238,251	279,043,943	90,816,724	244,629,400	80,575,093	132,263,809	14,549,019	73,901,141	119,674,963	15,557,745	68,115,475	246,393,466	36,959,019
Under \$2,000	2,931,010	2,104,290	2,104,501	11,541	2,931,010	1,998,461	266,509	106,040	11,664	—	—	—	—	—	—
\$2,000 under \$4,000	6,566,126	12,170,905	12,171,897	119,639	6,566,126	11,106,347	2,023,582	915,867	100,745	221,453	128,994	16,769	65,996	20,689	3,103
\$4,000 under \$6,000	6,692,391	22,105,060	22,127,386	894,415	6,692,391	14,530,237	5,144,005	5,014,713	551,618	3,268,023	2,097,564	272,683	1,119,033	484,873	72,731
\$6,000 under \$8,000	6,637,656	32,387,493	32,429,758	2,099,534	6,637,656	16,109,910	5,695,015	6,547,311	720,204	4,417,252	4,215,512	548,016	3,747,458	5,529,518	829,427
\$8,000 under \$10,000	6,543,425	43,625,921	43,622,758	3,553,309	6,543,425	16,840,066	6,260,118	8,780,681	965,874	5,340,297	5,908,317	768,081	4,055,349	11,706,678	1,756,001
\$10,000 under \$12,000	5,876,314	49,351,770	49,413,112	4,646,716	5,876,314	15,582,263	5,768,037	8,920,646	981,271	5,513,114	7,504,605	975,598	4,542,346	13,550,251	2,032,537
\$12,000 under \$14,000	5,348,779	54,364,140	54,391,155	5,705,064	5,348,779	14,532,755	5,295,094	8,572,498	942,974	5,167,737	7,969,142	1,035,988	4,866,832	14,768,783	2,215,317
\$14,000 under \$16,000	4,967,333	59,927,343	59,885,467	6,885,416	4,967,333	13,747,098	4,942,255	8,186,999	900,569	4,882,380	7,812,511	1,015,626	4,778,044	16,747,649	2,512,147
\$16,000 under \$18,000	4,377,105	60,065,420	60,025,249	7,384,784	4,377,105	12,313,067	4,354,144	7,364,880	810,136	4,321,856	924,824	4,268,463	16,015,094	2,402,264	—
\$18,000 under \$20,000	3,926,498	60,671,717	60,595,501	7,856,692	3,926,498	11,316,610	3,915,816	6,796,289	747,591	3,901,226	6,607,797	859,013	3,876,062	15,072,742	2,260,911
\$20,000 under \$25,000	8,826,608	161,101,190	160,769,897	22,534,160	8,826,608	26,251,813	8,810,602	15,839,618	1,742,358	8,785,278	15,504,475	2,015,581	8,738,996	35,089,883	5,263,482
\$25,000 under \$30,000	7,350,022	163,111,031	162,664,353	24,890,722	7,350,022	22,652,066	7,341,395	13,810,765	1,519,184	7,335,093	13,638,755	1,773,038	7,321,412	29,934,220	4,490,133
\$30,000 under \$40,000	10,409,410	288,405,358	287,277,250	48,825,278	10,409,410	33,560,808	10,402,562	20,529,165	2,258,208	10,395,150	20,384,451	2,649,978	10,386,374	43,560,846	6,534,126
\$40,000 under \$50,000	5,142,898	181,289,066	180,211,877	35,387,232	5,142,898	16,915,361	5,137,098	10,362,857	1,139,914	5,135,804	10,318,717	1,341,433	5,134,477	21,782,244	3,267,336
\$50,000 under \$75,000	3,583,452	166,095,719	164,676,050	38,812,146	3,583,452	11,816,143	3,581,707	7,235,261	795,878	3,579,800	7,205,859	936,761	3,578,909	15,215,499	2,282,324
\$75,000 under \$100,000	820,491	54,345,021	53,595,114	15,528,930	820,491	2,687,405	820,252	1,647,423	181,216	820,209	1,639,799	213,173	819,433	3,464,191	518,628
\$100,000 under \$200,000	619,480	63,715,875	62,721,302	22,133,880	619,480	2,027,838	619,274	1,241,639	136,580	618,912	1,235,601	160,628	618,803	2,616,947	392,542
\$200,000 under \$500,000	161,643	36,602,283	36,192,688	15,639,100	161,643	524,924	161,550	320,199	35,221	161,481	318,310	41,380	161,414	681,833	102,275
\$500,000 under \$1,000,000	25,348	13,706,293	13,648,882	6,440,156	25,348	81,817	25,346	49,951	5,494	25,345	49,651	6,454	25,345	106,617	15,992
\$1,000,000 or more	10,735	19,726,601	19,714,053	9,695,229	10,735	34,409	10,732	21,007	2,310	10,731	20,868	2,712	10,729	44,907	6,736

Size of adjusted gross income	Tax generated at specified rate — Continued														
	17 percent			18 percent			19 percent			21 percent			23 percent		
	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate
(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	
Total	49,868,670	158,951,639	27,021,778	4,114,060	10,830,606	1,949,509	44,464,499	138,879,349	26,387,076	12,744,724	25,424,398	5,339,123	22,618,376	86,656,833	19,931,071
Under \$2,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$2,000 under \$4,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$4,000 under \$6,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$6,000 under \$8,000	40,564	27,507	4,676	—	—	—	—	—	—	—	—	—	—	—	—
\$8,000 under \$10,000	741,848	357,672	60,804	*5,702	*1,006	*181	37,735	27,726	5,267	—	—	—	*1,686	*612	*140
\$10,000 under \$12,000	2,616,621	3,529,875	600,078	285,920	198,015	35,642	252,244	120,877	22,966	*137	*2	—	*14,769	*6,577	*1,512
\$12,000 under \$14,000	2,361,140	5,173,938	879,569	580,867	993,150	178,767	2,118,852	2,295,655	436,174	86,643	33,607	7,057	41,858	50,349	11,580
\$14,000 under \$16,000	2,861,045	5,429,099	922,946	621,508	1,678,900	302,202	2,442,594	4,454,469	846,349	1,674,943	1,696,341	356,231	40,206	82,281	18,924
\$16,000 under \$18,000	3,257,433	6,767,610	1,150,493	517,182	1,500,021	270,003	2,146,605	4,491,910	853,462	1,688,291	3,159,255	663,443	36,305	67,948	15,628
\$18,000 under \$20,000	3,246,242	8,941,878	1,520,119	398,948	1,200,022	216,004	2,416,005	4,417,135	839,255	1,560,389	3,000,492	630,103	26,300	53,341	12,268
\$20,000 under \$25,000	7,806,656	25,561,097	4,345,386	717,378	2,211,734	398,112	7,460,561	18,498,289	3,514,674	3,127,575	6,896,162	1,448,194	991,334	1,145,798	263,533
\$25,000 under \$30,000	6,750,606	24,485,145	4,162,474	495,193	1,524,628	274,433	7,021,565	23,803,592	4,522,682	2,017,578	4,695,285	986,009	3,858,009	10,885,667	2,503,703
\$30,000 under \$40,000	10,011,119	38,575,594	6,557,851	333,549	1,033,951	186,111	10,267,325	39,564,378	7,517,231	1,600,501	3,702,617	777,549	8,349,983	33,903,859	7,797,887
\$40,000 under \$50,000	5,041,365	19,860,224	3,376,238	84,728	262,657	47,278	5,102,702	20,395,894	3,875,219	497,550	1,131,490	237,612	4,567,321	19,901,249	4,577,287
\$50,000 under \$75,000	3,530,443	13,953,473	2,372,090	43,320	134,253	24,165	3,567,016	14,318,162	2,720,450	315,786	709,447	148,983	3,236,895	14,190,136	3,263,731
\$75,000 under \$100,000	803,125	3,155,985	536,517	15,091	46,782	8,420	816,856	3,258,984	619,207	83,924	191,912	40,301	731,981	3,206,562	737,509
\$100,000 under \$200,000	606,934	2,381,806	404,907	10,942	33,920	6,105	617,227	2,457,344	466,895	65,618	149,528	31,400	550,392	2,411,856	554,726
\$200,000 under \$500,000	158,300	615,057	104,559	2,892	8,964	1,613	161,162	634,417	120,539	20,611	46,462	9,757	140,472	615,775	141,628
\$500,000 under \$1,000,000	24,780	95,621	16,255	560	1,736	312	25,322	98,936	18,797	3,549	8,069	1,694	21,769	95,182	21,891
\$1,000,000 or more	10,449	40,057	6,809	280	868	156	10,728	41,581	7,900	1,629	3,729	783	9,096	39,640	9,117

Footnote(s) at end of table.

Table 2 — All Returns With Income Subject to Tax: Tax Generated by Rate and by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Tax generated at specified rate — Continued														
	24 percent			25 percent			26 percent			28 percent			29 percent		
	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate
(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	
Total	8,590,970	23,052,918	5,532,700	1,271,425	4,668,711	1,167,177	16,992,766	73,876,374	19,207,857	5,911,533	23,117,258	6,472,832	553,687	2,018,658	585,410
Under \$2,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$2,000 under \$4,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$4,000 under \$6,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$6,000 under \$8,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$8,000 under \$10,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$10,000 under \$12,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$12,000 under \$14,000.....	—	—	—	—	—	—	8,552	1,277	332	—	—	—	—	—	—
\$14,000 under \$16,000.....	16,098	6,609	1,586	—	—	—	34,504	43,510	11,312	—	—	—	—	—	—
\$16,000 under \$18,000.....	1,267,329	1,186,432	284,743	—	—	—	21,310	35,534	9,238	5,860	3,744	1,048	—	—	—
\$18,000 under \$20,000.....	1,215,461	2,976,519	714,364	42	36	9	23,887	55,967	14,551	298,102	126,180	35,330	—	—	—
\$20,000 under \$25,000.....	2,470,622	7,404,209	1,777,010	371,054	651,389	162,847	51,980	131,778	34,262	2,066,958	5,358,271	1,500,315	3,834	2,016	584
\$25,000 under \$30,000.....	1,530,608	4,824,148	1,157,795	423,511	1,607,843	401,960	1,018,625	1,232,090	320,343	1,484,826	6,949,562	1,945,877	138,557	207,411	60,149
\$30,000 under \$40,000.....	1,262,312	4,009,091	962,181	321,529	1,592,265	398,066	6,691,892	25,212,262	6,555,188	1,231,620	6,339,749	1,775,129	257,557	1,031,230	299,056
\$40,000 under \$50,000.....	411,706	1,316,035	315,848	82,549	432,040	108,010	4,471,428	22,627,358	5,883,113	409,566	2,149,450	601,846	81,112	399,575	115,876
\$50,000 under \$75,000.....	271,798	865,873	207,809	43,152	228,347	57,086	3,220,206	16,889,156	4,391,180	269,743	1,423,952	398,706	43,075	222,524	64,532
\$75,000 under \$100,000.....	68,378	218,716	52,491	15,090	79,974	19,993	729,975	3,844,147	999,478	68,262	360,901	101,052	15,072	79,580	23,078
\$100,000 under \$200,000.....	54,600	174,701	41,928	10,769	57,053	14,263	549,110	2,899,547	753,882	54,519	288,549	80,793	10,751	56,558	16,401
\$200,000 under \$500,000.....	17,720	56,704	13,609	2,889	15,312	3,828	140,434	741,391	192,761	17,720	93,914	26,295	2,889	15,312	4,440
\$500,000 under \$1,000,000.....	2,989	9,565	2,295	560	2,968	742	21,768	114,610	29,798	2,989	15,842	4,435	560	2,968	860
\$1,000,000 or more.....	1,349	4,315	1,035	280	1,484	371	9,095	47,746	12,414	1,348	7,144	2,000	280	1,484	430

Size of adjusted gross income	Tax generated at specified rate — Continued														
	30 percent			32 percent			34 percent			35 percent			36 percent		
	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate	Number of returns	Income subject to tax	Tax generated at rate
(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	
Total	11,367,911	47,949,722	14,384,916	3,049,235	11,449,130	3,663,721	254,829	995,202	338,368	7,170,110	50,266,506	17,593,277	1,469,221	5,682,634	2,045,748
Under \$2,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$2,000 under \$4,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$4,000 under \$6,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$6,000 under \$8,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$8,000 under \$10,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$10,000 under \$12,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$12,000 under \$14,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$14,000 under \$16,000.....	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$16,000 under \$18,000.....	6,999	5,718	1,715	—	—	—	—	—	—	—	—	—	—	—	—
\$18,000 under \$20,000.....	19,624	30,493	9,147	—	—	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$25,000.....	48,777	105,100	31,530	89,289	26,424	8,455	—	—	—	31,462	89,595	31,358	—	—	—
\$25,000 under \$30,000.....	30,710	76,384	22,915	1,019,908	2,180,071	697,622	1,907	1,815	617	28,759	124,337	43,518	14,570	4,367	1,572
\$30,000 under \$40,000.....	2,702,241	6,341,588	1,902,476	1,129,785	5,052,892	1,616,925	112,218	311,200	105,808	267,989	368,744	129,060	683,977	1,841,605	662,977
\$40,000 under \$50,000.....	3,954,494	17,433,394	5,230,018	399,632	2,027,501	648,800	70,192	313,109	106,457	2,424,151	9,018,409	3,156,443	364,952	1,716,326	617,877
\$50,000 under \$75,000.....	3,160,703	16,351,110	4,905,333	266,495	1,400,392	448,125	41,283	215,437	73,248	2,982,098	25,663,223	8,982,128	262,500	1,362,435	490,476
\$75,000 under \$100,000.....	724,819	3,809,588	1,142,876	67,823	358,029	114,569	14,995	78,990	26,856	717,908	7,453,266	2,608,643	67,156	355,281	127,801
\$100,000 under \$200,000.....	548,380	2,893,198	867,959	54,247	286,933	91,818	10,505	54,887	18,661	546,684	5,745,512	2,010,929	54,018	285,767	102,876
\$200,000 under \$500,000.....	140,313	740,865	222,259	17,719	93,902	30,048	2,889	15,312	5,206	140,230	1,479,143	517,700	17,712	93,873	33,794
\$500,000 under \$1,000,000.....	21,757	114,545	34,383	2,989	15,842	5,069	560	2,968	1,009	21,737	228,820	80,087	2,989	15,842	5,703
\$1,000,000 or more.....	9,094	47,739	14,321	1,348	7,143	2,285	280	1,484	504	9,092	95,457	33,410	1,347	7,139	2,570

Footnote(s) at end of table.

Table 2 — All Returns With Income Subject to Tax: Tax Generated by Rate and by Size of Adjusted Gross Income — Continued

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

Size of adjusted gross income	Tax generated at specified rate — Continued																	
	37 percent		40 percent		44 percent		45 percent		48 percent		50 percent							
	Number of returns (61)	Income subject to tax (62)	Tax generated at rate (63)	Number of returns (64)	Income subject to tax (65)	Tax generated at rate (66)	Number of returns (67)	Income subject to tax (68)	Tax generated at rate (69)	Number of returns (70)	Income subject to tax (71)	Tax generated at rate (72)	Number of returns (73)	Income subject to tax (74)	Tax generated at rate (75)	Number of returns (76)	Income subject to tax (77)	Tax generated at rate (78)
Total	132,044	860,876	318,524	3,916,897	33,765,855	13,506,342	1,477,672	23,729,807	10,441,115	421,682	3,839,354	1,727,709	635,031	11,307,825	5,427,756	557,809	57,952,957	28,976,478
Under \$2,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$2,000 under \$4,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$4,000 under \$6,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$6,000 under \$8,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$8,000 under \$10,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$10,000 under \$12,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$12,000 under \$14,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$14,000 under \$16,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$16,000 under \$18,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$18,000 under \$20,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$25,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$25,000 under \$30,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$30,000 under \$40,000	17,453	15,980	5,912	3,971	2,244	897	—	—	—	—	—	—	—	—	—	—	—	—
\$40,000 under \$50,000	46,554	203,259	75,205	148,363	324,641	10,480	10,164	15,595	6,861	1,906	4,738	2,132	635,031	11,307,825	5,427,756	557,809	57,952,957	28,976,478
\$50,000 under \$75,000	39,338	340,224	125,882	1,881,720	12,045,545	4,818,218	199,245	809,897	355,914	206,395	1,771,277	797,074	7,869	50,002	24,001	54,563	259,422	129,711
\$75,000 under \$100,000	14,673	153,166	56,671	756,717	9,399,093	3,759,637	549,660	6,065,800	2,688,952	66,241	679,902	395,955	41,449	230,576	110,676	62,846	929,059	464,529
\$100,000 under \$200,000	10,297	108,757	40,240	594,584	7,965,811	3,186,324	535,843	12,401,300	5,456,572	53,408	722,469	325,111	412,123	6,965,493	3,343,436	247,989	7,258,287	3,629,143
\$200,000 under \$500,000	2,889	30,615	11,327	157,530	2,105,677	842,270	142,258	3,586,953	1,578,259	17,651	243,347	109,506	141,121	3,318,148	1,592,711	156,550	19,796,279	9,898,139
\$500,000 under \$1,000,000	960	5,913	2,187	24,703	328,416	131,366	22,254	560,305	246,534	2,989	41,236	18,556	22,212	523,669	251,361	25,166	11,077,795	5,538,897
\$1,000,000 or more	280	2,961	1,095	10,437	137,764	55,105	9,361	234,633	103,238	1,347	18,578	8,360	9,354	219,801	105,504	10,695	18,632,115	9,316,057

*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.
 (.) Less than \$500.
 NOTE: Detail may not add to total because of rounding.

Private Activity Tax-Exempt Bonds, 1984

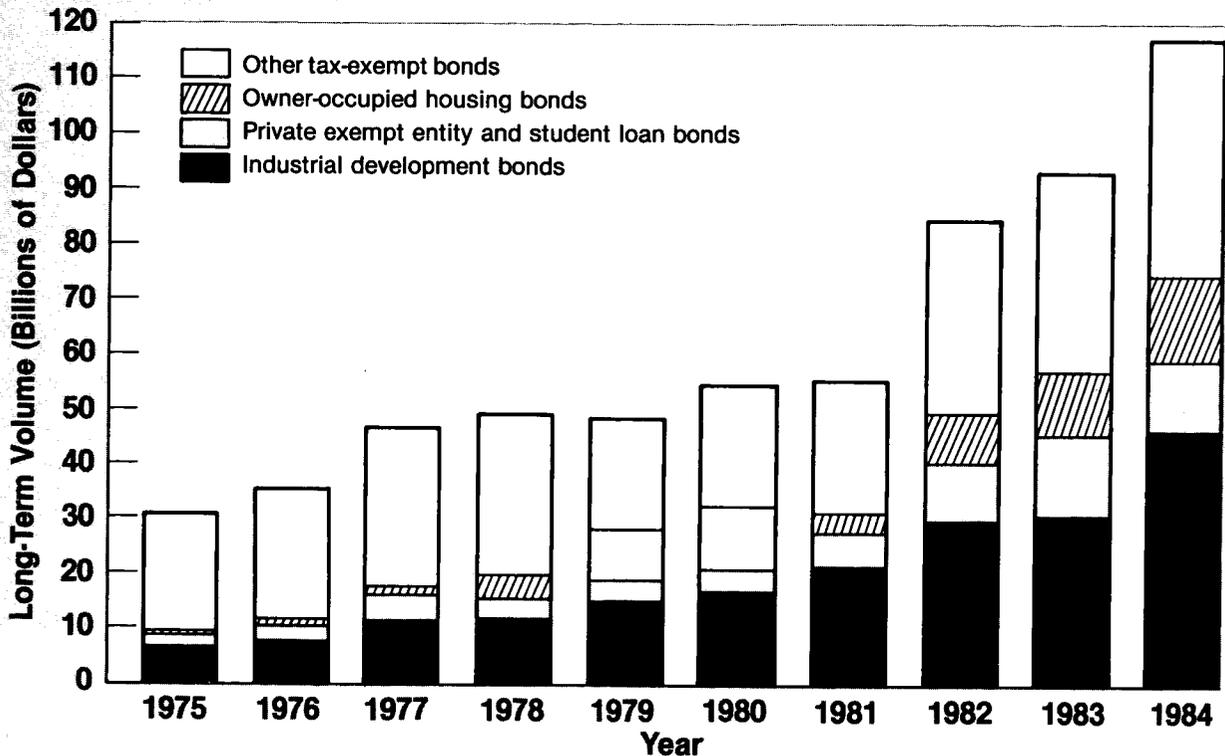
By Phil Clark*

The dollar volume of long-term private activity tax-exempt bonds [1] reached \$74 billion in Calendar Year 1984, up from \$57.3 in 1983. These bonds were issued for the direct benefit of private businesses, organizations, and individuals and accounted for 64 percent of the long-term tax exempt bond volume. The 1984 figures extended a trend in which private pur-

pose bond volume increased from \$8.9 billion in 1975 (29 percent of the volume) to its highest level ever in 1984. Figure A shows the growth of long-term private purpose bond volume over the last 10 years [2].

This article reports information on three types of private activity bonds: industrial

Figure A
Long Term Tax-Exempt Bond Volume, 1975-1984



*Foreign Special Projects Section. Prepared under the direction of Michael Alexander, Chief.

development bonds (IDB's), private exempt entity bonds, and student loan bonds. Detailed data on these bonds are available only for 1983 and 1984, as a result of an information reporting requirement enacted by Congress as part of the Tax Equity and Fiscal Responsibility Act of 1982. (Similar information will be available for a fourth type of private activity bond, mortgage subsidy bonds, beginning with bonds issued in 1985.)

The total long-term volume of 1984 bonds of the types specified was \$59 billion [3], an increase of 30 percent over 1983. The largest portion of the total volume, \$18 billion or 31 percent, was for small issue IDB's. IDB's are issued by state and local governments to provide below-market rate financing for a wide range of private development (see Definitions). Twenty percent of the volume, or \$11.7 billion, was issued for so-called private exempt entities which are primarily private, nonprofit medical facilities and colleges.

Figure B compares new issue volume (the purchase price of the bond less any amount of proceeds being used to retire existing obligations) for private activity bonds in 1983 and 1984. Figure B, as well as other tables in this article that present data for 1983 issuances, reflects minor revisions to previously published 1983 figures due to the inclusion of late filed returns [4]. Overall, new issue volume increased by more than one-third from 1983 to 1984, the largest jumps coming in sewage and waste disposal bonds, which nearly quadrupled, and pollution control facility bonds, which more than doubled. Small issue industrial development bond volume increased by one-quarter.

BACKGROUND

The original intent of the Federal income tax exemption for interest on state and local bonds was to provide a subsidy for government projects, such as highways, by making it possible to obtain funding at lower interest costs. The shifting of these bonds towards nongovernment uses has prompted the Federal Government to re-examine its policies in this area. While private purpose bonds allow state and local governments to promote economic development and housing in their jurisdictions while incurring little or no costs themselves, these bonds shift investment dollars away from other revenue-producing alternatives, and this results in a significant loss of Federal tax revenue.

It is estimated that the exemption from taxation of the interest from private purpose bonds issued in 1984 will result in revenue losses amounting to \$38.8 billion over the term of the bonds [5]. This revenue loss is, in effect, the cost of a Federal subsidy for state and local activities. Recent studies, however, suggest that this may not be the most efficient method of promoting these activities.

It is estimated that the interest cost savings to the state or local authority is less than the revenue loss to the Federal Government [6]. The difference goes not to the targeted activity, but to Federal taxpayers, usually in the upper income brackets, or other entities who hold the bonds. As a point of comparison, another common Federal subsidy for state and local activity, grants-in-aid, is nearly totally efficient with only a small fraction of the subsidy going to administrative costs.

Figure B.--New Issue Private Activity Bond Volume, 1983-84

[Millions of dollars]

Type of bond	New issue volume		Percent change
	1983	1984	
	(1)	(2)	(3)
Total	\$39,110	\$52,674	34.7%
Student loan bonds	3,086	1,370	-55.6
Private exempt entity bonds	8,202	9,119	11.2
Industrial development bonds, total	27,823	42,185	51.6
Small issue	13,791	17,302	25.5
Multi-family rental housing	5,349	5,379	0.6
Airports, docks, etc.	2,109	3,713	76.1
Sewage and waste disposal	1,442	6,644	360.7
Pollution control	3,411	7,584	122.3
Other	1,721	1,563	-9.2

The use of tax-exempt bonds for private purposes may also have other undesirable effects. By increasing the total supply of tax-exempt obligations, the proliferation of private activity bonds causes interest rates on all tax-exempt instruments to rise in order to attract potential investors. These higher interest rates raise the cost of financing traditional government activities such as constructing schools, roads, and sewers [7].

Concern over these issues, coupled with the dramatic increase in private activity bond volume, prompted Congress to place a number of limitations on such bonds in the 1980's. As mentioned above, the Tax Equity and Fiscal Responsibility Act of 1982 required issuers of IDB's, private exempt entity bonds and student loan bonds to file a report with the IRS. The Deficit Reduction Act of 1984 extended that reporting requirement to cover mortgage subsidy bonds issued after 1984, and established a state-by-state volume limitation on certain obligations issued after December 31, 1983. This cap covered all private activity bonds except those issued for private exempt entities; multi-family residential rental housing projects; and certain airport, dock, convention, and refunding bonds. Each state's limit is the greater of \$150 per capita (\$100 per capita after 1986) or \$200 million. States which exceeded this level in 1983 were allowed a phase-in during 1984 based on 1983 bond volume [8]. Because the cap was not retroactive in nature, it did not apply to bonds for which inducement resolutions were adopted before June 19, 1984 (nor to certain other "grandfathered" obligations). Therefore, definitive data on which bonds were subject to the cap were not available from the information returns.

Current proposals being considered by the Congress include (1) extension of the reporting requirement to include all tax exempt bonds, and (2) the elimination of the tax exemption for the interest on all state and local bonds issued primarily for the financing of nonpublic activities.

DATA ANALYSIS

A total of 14,142 information returns were filed for bonds issued in 1984. This article concentrates on the dollar volume of the bond issuances, rather than the number of returns filed because the number of returns is not an accurate reflection of the number of private activities financed with tax-exempt bonds. Multiple returns for a single activity may be filed when a bond is refunded, especially in the case of short-term obligations that have maturities of as little as one day. On the other hand, some returns included descriptions of many activities (multiple lot issues), which reduced the number of returns filed.

Table 1 shows the face amount and new issue volume by type of private activity bond. Industrial development bonds are shown by type of activity. The bonds are further categorized into short-term obligations (obligations that have average maturities of a year or less) and long-term obligations. Shown in columns 4, 5, and 6 is the new issue volume. For instance, a bond issue with a \$100 million purchase price sold to refund a \$95 million outstanding obligation would count as \$5 million of new issues. New issue volume, therefore, represents the net increase in private activity bonds (excluding nonrefunded retirements).

Table 2 shows the aggregate face amount, purchase price, and lendable proceeds for long-term private activity bonds, as well as the issuance costs and the amounts allocated to reserve or replacement funds. Lendable proceeds of IDB's are required to be used primarily to purchase land and depreciable property. A minor portion of the lendable proceeds can be used for other purposes, such as working capital. Table 3 shows, for long-term IDB's, the allocation of non-refunding lendable proceeds. Certain types of depreciable property placed in service after March 15, 1984, fell into a new class, 18-year property. As there was no line on the return for this recovery class, filers usually included it with 15-year property or, to a lesser extent, "other property." Of the proceeds, 91 percent were used to finance depreciable property, 5 percent for land, and 4 percent for other property.

Issuers of private exempt entity bonds, industrial park IDB's, and small issue IDB's were required to provide information on the industrial classification of the initial principal users of the projects being financed. Table 4 shows the classification by industry for these bonds. Private hospitals and educational facilities accounted for 96 percent of the total exempt entity bond volume on those returns for which the industrial activity was actually reported. Small issue IDB's were used most frequently for manufacturing (35 percent), followed by real estate (23 percent), and services (18 percent). Industrial park bonds were primarily used to finance real estate.

Figure C shows the percent of the total face amount for small issue IDB's in each of the four largest industrial classifications, for 1983 and 1984. Only those returns that reported an industry are included in the computations. The data indicate a slight shift away from trade and services into manufacturing and real estate.

Small issue IDB's are limited to \$1 million per user per county or \$10 million, if capital expenditures on the project do not exceed \$10 million over a 6-year period (\$25 million in the case of Urban Development Action Grant

Figure C.--Industrial Classification of Small Issue IDB's, 1983-84

Industry	Percent of total face amount	
	1983	1984
All Industries	100.0%	100.0%
Manufacturing	31.6	35.4
Trade	16.8	15.0
Real Estate	20.5	23.2
Services	23.9	18.5
Other	7.2	7.9

assisted projects). The \$10 million limit was raised from \$5 million in 1979. It has been speculated that raising the limit sparked the rapid growth of small issue IDB's.

Table 5 shows the size distribution of small issue IDB's. Thirty-two percent of small issue IDB volume (7.2 percent of the returns) was from bond issues with face amounts from \$5 million to \$10 million. Only 16.1 percent of the volume (but 56.5 percent of the returns) was from issues of \$1 million or less. The mean size of the face amounts on small issue IDB's increased by 16 percent from 1983, to \$1.7 million.

Table 6 shows the total new issue volume by type of bond for each state. Legislation in 1984 extended the information return filing requirement to private activity bonds issued by the District of Columbia, Guam, Puerto Rico, and the U.S. possessions after 1983.

Figure D shows the percent change in new issue volume from 1983 to 1984 for each of the

nine Census divisions that make up the United States. Overall new issue volume increased by 34.7 percent, with above average growth occurring in areas east of the Ohio Valley and south of New England.

SUMMARY

Private activity bond issues provide a reduction in borrowing costs for businesses, nonprofit organizations, and individuals. The implicit Federal interest subsidy directs the allocation of the Nation's resources toward activities benefiting from this type of financing. One of the effects of private activity bonds is an increase in tax-exempt interest rates. Higher tax-exempt interest rates increase the borrowing costs of financing traditional government projects and may result in delay or cancellation of some public projects. In addition, the tax exemption of interest income from private activity bonds reduces Federal income tax receipts as long as the bonds are outstanding. Concern over the rapid growth of tax-exempt bonds used for private purposes led Congress to institute an information reporting requirement for the issuers of such bonds and to place a state volume limitation on certain types of them. Despite these concerns, levels of private activity bond volume reached an all-time high in 1984.

1984 is only the second year for which comprehensive data have been available on the volume, uses, and maturities of private activity bonds. Comparisons between 1983 figures and those for 1984 indicate a growth in the usage of such bonds in nearly all industrial sectors and geographical areas of the United States. In fact, the issuance of private acti-

Figure D.--New Issue Private Activity Bond Volume, By Region, 1983-84

[Millions of dollars]

Region	1983	1984	Percent change
	(1)	(2)	(3)
Total	\$39,110	\$52,674	34.7%
New England	2,387	2,776	16.3
Middle Atlantic	5,578	9,150	64.0
East North Central	5,109	6,596	27.1
West North Central	3,536	3,861	9.2
South Atlantic	7,014	11,999	71.1
East South Central	2,404	3,486	45.0
West South Central	5,035	6,366	26.4
Mountain	3,538	3,515	- 0.7
Pacific	4,429	4,813	8.7
Other areas	--	113	N/A

N/A - Not applicable.

vity bonds grew more rapidly in 1984 than traditional governmental purpose bonds, so that they accounted for 63 percent of total long-term tax-exempt bond volume (up from 61 percent in 1983).

DATA SOURCES AND LIMITATIONS

Form 8038, Information Return for Private Activity Bond Issues, is required to be filed with the Internal Revenue Service for all student loan, private exempt entity, and industrial development bonds. The return is due within 45 days after the end of the calendar quarter in which the bond is issued. All of the 1984 data in this article were extracted from the 14,142 returns filed for 1984.

Because the entire population of Forms 8038 was used for this study, there was no sampling error. There was, however, a certain amount of filer and processing error. Throughout the processing of the forms, a number of checks were performed to ensure that each return was internally consistent, and to exclude duplicate and amended returns. Both automatic and manual correction routines were performed to balance return data and to supply data missing from the returns. Despite these efforts, a small number of returns remained with missing or inconsistent data. This necessitated that a portion of the data (e.g., in Table 3) be expressed in percentages rather than as aggregate figures.

DEFINITIONS

Private Activity Bonds.--For the purposes of this article, consists of industrial development bonds, private exempt entity bonds, and student loan bonds. This differs from the Internal Revenue Code definition, which excludes private exempt entity bonds, multi-family housing bonds, and certain bonds for government-owned property.

Industrial Development Bonds.--State or local government obligations, all or a major portion of the proceeds of which are used in a private trade or business, with payments of principal and interest secured by the property used in a private trade or business. In general, IDB's can finance certain specified activities in unlimited amounts. In addition, under the small issue exemption, almost any private trade or business can finance depreciable property or land with an IDB if the bond's face amount does not exceed \$1 million, or \$10 million with certain limits on capital expenditures.

Student Loan Bonds.--State or local government obligations issued to finance the education expenses of individuals.

Private Exempt Entity Bonds.--State or local government obligations, issued for tax-exempt charitable, religious, education, and similar organizations (described in Internal Revenue Code Section 501(c)(3), but primarily for private, nonprofit medical facilities and colleges.

NOTES AND REFERENCES

- [1] The term "private activity bonds," as used here, refers to industrial development bonds, student loan bonds, private exempt entity bonds, multi-family housing bonds, mortgage subsidy bonds, and veterans general obligation bonds.
- [2] Data for 1975-82 are from Special Analysis F, Budget of the United States Government, FY 1985, Table F-13.
- [3] This difference between the \$59 billion figure and the total long-term volume, \$74.0, consists of mortgage subsidy bonds and veterans general obligation bonds.
- [4] There were approximately 150 late-filed returns, reporting \$241 million of new issue volume. 1983 data were reported in Clark, Phil and Neubig, Tom, "Private Activity Tax-Exempt Bonds," Statistics of Income Bulletin, Summer 1984, Vol. 4, No. 1, pp. 97-107.
- [5] Estimate provided by the Office of Tax Analysis, U.S. Department of Treasury. Includes \$6.7 billion of estimated revenue losses due to mortgage subsidy bonds and veterans general obligation bonds.
- [6] Empirical estimates suggest that the Federal deficit increases by \$1.12 to \$1.31 for each dollar of cost savings to the tax-exempt issuers. See Toder, Eric and Neubig, Thomas S. "Revenue Cost Estimates of Tax Expenditures: The Case of Tax-exempt Bonds," National Tax Journal, September 1985, Vol. XXXVIII, No. 3, pp. 395-414.
- [7] Empirical estimates of the effect of an additional \$1 billion of tax-exempt obligations range from 1 basis point (0.01 percent) to 7 basis points. For a summary of the econometric estimates, see Peterson, G.E., Tuccillo, J.A. and Weichler, J.C. "The Impact of Local Mortgage Revenue Bonds on Securities Markets and Housing Policy Objectives," in Efficiency in the Municipal Bond Market, G.C. Kaufman, ed., JAI Press, 1981.
- [8] Three states, Arizona, Utah and Virginia, were allowed a small amount of additional transitional volume due to 1983 volume levels.

Private Activity Tax-Exempt Bonds, 1984

Table 1.--Volume of Private Activity Bonds by Type of Activity, 1984

[Millions of dollars]

Type of activity	All issues ¹			New issues ²		
	Total	Short-term	Long-term	Total	Short-term	Long-term
	(1)	(2)	(3)	(4)	(5)	(6)
Total.....	74,694	15,669	59,025	52,674	3,387	49,287
Student loans ³	2,052	815	1,236	1,370	141	1,229
Private exempt entities.....	15,300	3,599	11,701	9,119	533	8,587
Industrial development bonds:						
Industrial park.....	484	188	296	224	1	223
Small issue.....	18,196	159	18,036	17,302	132	17,170
Multi-family rental housing.....	5,539	82	5,457	5,379	6	5,373
Sports facilities.....	595	-	595	534	-	534
Convention facilities.....	133	-	133	39	-	39
Airports, docks, etc. ⁴	6,183	1,074	5,109	3,713	81	3,631
Sewage and waste disposal facilities....	9,061	1,802	7,258	6,644	698	5,946
Pollution control facilities.....	15,566	7,452	8,114	7,584	1,793	5,791
Water furnishing facilities.....	149	6	142	136	2	134
Hydroelectric generating facilities....	103	-	103	101	-	101
Mass commuting vehicles.....	19	11	7	7	(⁵)	7
Local heating and cooling facilities....	268	-	268	103	-	103
Electric energy and gas facilities.....	1,048	479	568	419	(⁵)	419

¹Volume for all issues is the face amount of the bond.²Volume for new issues is the purchase price of the bond minus any amount used to refund earlier obligations.³Only partial information on the amount of refunding was collected for student loan bonds.⁴Includes wharves, mass commuting facilities, parking facilities, or storage facilities directly related to any of the preceding.⁵Less than \$500,000.

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

Table 2.--Computation of Non-Refunding Lendable Proceeds For Long-Term Private Activity Bonds, by Type
[Millions of dollars]

Item	Type of bond				
	Total	Student loan ¹	Private exempt entity	Industrial development bonds	
				Small issue	Other
(1)	(2)	(3)	(4)	(5)	
Face amount.....	59,025	1,236	11,701	18,036	28,052
Purchase price.....	58,851	1,229	11,655	18,042	27,927
Bond issuance costs.....	1,505	21	384	459	641
Allocations to reserve or replacement funds.....	2,114	96	710	130	1,178
Lendable proceeds.....	55,233	1,112	10,560	17,453	26,108
Proceeds used to refund prior issues....	9,576	-	3,068	882	5,625
Non-refunding lendable proceeds.....	45,657	1,112	7,492	16,571	20,482

¹Only partial information on the amount of refunding was collected for student loan bonds.

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

Table 3.--Long-Term Industrial Development Bonds: Percent Distribution of Non-Refunding Lendable Proceeds, by Type of Property Financed

Type of property financed	Type of industrial development bond			
	Total	Small issue	Multi-family housing	Sports and convention
	(1)	(2)	(3)	(4)
Total.....	100.0	100.0	100.0	100.0
Depreciable property:				
3-year ACRS.....	0.8	1.2	0.3	0.8
5-year ACRS.....	23.5	22.8	3.9	13.8
10-year ACRS.....	12.7	2.5	1.9	2.3
15-year ACRS ¹	53.8	63.8	78.6	65.0
Land.....	5.1	6.8	9.4	12.6
Other property ²	4.1	2.9	5.9	5.5

Type of property financed	Type of industrial development bond-Continued			
	Airport and dock ³	Sewage, waste disposal and pollution control	Electric and gas	Other exempt activity ⁴
	(5)	(6)	(7)	(8)
Total.....	100.0	100.0	100.0	100.0
Depreciable property:				
3-year ACRS.....	0.7	0.4	0.3	1.2
5-year ACRS.....	27.2	31.9	12.3	54.6
10-year ACRS.....	3.1	36.5	0.5	(⁵)
15-year ACRS ¹	60.0	26.4	57.1	39.2
Land.....	3.1	0.7	23.6	-
Other property ²	6.0	4.2	6.3	5.0

¹Includes 18-year ACRS property. A small amount of 18-year property was included in "other property." (ACRS refers to Asset Cost Recovery System of depreciation.)

²Includes a small amount of proceeds which were not targeted for a specific type of property at the time of filing.

³Includes wharves, mass commuting facilities, parking facilities, or storage facilities directly related to any of the preceding.

⁴Consists of industrial parks, water furnishing facilities, hydroelectric generating facilities, mass commuting vehicles, and local heating and cooling facilities.

⁵Less than 0.05 percent.

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

Private Activity Tax-Exempt Bonds, 1984

Table 4.--Volume¹ of Small Issue Industrial Development Bonds, Industrial Park Bonds, and Private Exempt Entity Bonds, by Industry

[Millions of dollars]

Industry	Small issue and industrial park IDB's		Private exempt entity bonds	
	Amount	Percent	Amount	Percent
	(1)	(2)	(3)	(4)
All industries.....	18,680	100.00	15,300	100.00
Agriculture, forestry, and fishing.....	208	1.11	-	-
Mining.....	107	.57	-	-
Construction.....	186	.99	1	.01
Manufacturing.....	6,064	32.46	11	.07
Food and kindred products.....	553	2.96	(²)	(³)
Textile products.....	451	2.41	-	-
Lumber, wood products, and furniture.....	455	2.44	(²)	(³)
Paper products, printing, and publishing.....	746	3.99	(²)	(³)
Chemicals, rubber, and plastics.....	898	4.81	4	.02
Primary and fabricated metal.....	969	5.19	1	.01
Machinery, except electrical.....	379	2.03	(²)	(³)
Electrical and electronic equipment.....	648	3.47	1	(³)
Other manufacturing.....	965	5.16	4	.03
Transportation.....	465	2.49	3	.02
Trucking and warehousing.....	356	1.91	3	.02
Other transportation.....	109	.58	(²)	(³)
Wholesale trade.....	1,058	5.66	1	.01
Durable goods.....	555	2.97	(²)	(³)
Nondurable goods.....	503	2.69	1	.01
Retail trade.....	1,483	7.94	8	.05
General merchandise stores.....	429	2.30	(²)	(³)
Food stores.....	347	1.86	-	-
Other retail trade.....	707	3.78	7	.05
Finance and insurance.....	336	1.80	27	.18
Real estate.....	4,192	22.44	113	.74
Services.....	3,184	17.04	14,243	93.09
Hotels and other lodging places.....	1,183	6.33	37	.24
Personal and business services.....	258	1.38	6	.04
Medical and health services.....	1,186	6.35	11,576	75.66
Educational services.....	65	.35	2,273	14.86
Other services.....	491	2.63	351	2.29
Other industries.....	112	.60	16	.10
Industry not reported.....	1,285	6.89	877	5.73

¹Consists of the face amount of the bonds. Short term bonds have been included.²Less than \$500,000.³Less than 0.005 percent.

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

Table 5.--Number and Volume of Small Issue Industrial Development Bonds, by Size of Face Amount
 [Money amounts are in millions of dollars]

Size of face amount	Returns		Face amount	
	Number	Percent of total	Amount	Percent of total
	(1)	(2)	(3)	(4)
Total.....	10,796	100.00	18,196	100.00
\$1 - \$100,000.....	766	7.10	44	0.24
\$100,001 - \$250,000.....	1,088	10.08	198	1.09
\$250,001 - \$500,000.....	1,695	15.70	663	3.64
\$500,001 - \$750,000.....	1,211	11.22	780	4.29
\$750,001 - \$1,000,000.....	1,341	12.42	1,252	6.88
\$1,000,001 - \$2,500,000.....	2,462	22.80	4,194	23.05
\$2,500,001 - \$5,000,000.....	1,455	13.48	5,241	28.80
\$5,000,001 - \$10,000,000.....	778	7.21	5,825	32.01

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

Private Activity Tax-Exempt Bonds, 1984

Table 6. — Volume of New Issue Private Activity Bonds¹, by State, 1984

(Millions of dollars)

State	Type of activity										
	Total	Student loan bonds	Exempt entity bonds	Industrial development bonds							
				Small issue and industrial park	Multi-family housing	Sports and convention	Airport and dock ²	Sewage and waste disposal	Pollution control	Electric and gas	Other exempt activities ³
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Total.....	52,674	1,370	9,119	17,528	6379	673	3,713	8,644	7,584	419	347
Alabama.....	1,044	—	338	362	—	—	29	55	260	—	—
Alaska.....	138	—	—	108	2	(*)	27	—	—	—	—
Arizona.....	1,047	—	226	318	81	13	20	259	105	—	25
Arkansas.....	220	—	46	111	17	—	4	29	13	—	—
California.....	3,738	128	822	529	980	1	339	552	309	—	78
Colorado.....	729	—	169	222	117	74	1	20	117	—	9
Connecticut.....	480	—	79	201	71	—	8	35	72	—	15
Delaware.....	243	—	33	135	7	—	—	(*)	59	10	—
Florida.....	3,831	—	678	571	495	24	444	1,087	214	315	3
Georgia.....	2,853	—	30	768	241	—	—	628	1,186	—	—
Hawaii.....	159	—	82	—	—	—	66	—	—	11	—
Idaho.....	72	37	5	18	—	—	4	—	9	—	—
Illinois.....	2,320	132	231	757	118	—	910	38	133	(*)	2
Indiana.....	940	—	113	372	32	—	53	27	342	—	—
Iowa.....	307	11	4	200	40	—	—	—	(*)	—	—
Kansas.....	477	—	38	187	39	—	—	100	114	—	—
Kentucky.....	706	4	113	226	4	(*)	163	89	69	—	—
Louisiana.....	1,483	106	195	413	105	—	41	178	357	—	—
Maine.....	77	—	1	60	14	3	—	—	—	—	—
Maryland.....	1,266	14	189	827	401	—	98	—	57	—	—
Massachusetts.....	1,375	122	548	508	28	—	49	112	11	—	(*)
Michigan.....	1,601	—	248	681	66	—	—	426	107	—	74
Minnesota.....	1,213	90	78	834	123	94	15	172	39	(*)	—
Mississippi.....	408	—	42	112	20	—	—	149	84	—	—
Missouri.....	1,170	—	251	393	240	3	31	61	192	—	—
Montana.....	321	68	27	84	—	—	—	13	148	—	1
Nebraska.....	346	—	116	110	56	3	61	—	—	—	—
Nevada.....	185	—	9	21	83	—	—	—	13	18	41
New Hampshire.....	298	5	45	101	22	—	—	15	108	(*)	—
New Jersey.....	1,912	—	256	930	30	9	85	227	340	31	4
New Mexico.....	174	—	12	80	20	—	85	—	17	—	—
New York.....	3,436	—	1,014	1,258	313	80	232	186	343	—	10
North Carolina.....	802	—	38	350	73	—	22	9	280	—	—
North Dakota.....	232	128	27	20	3	—	2	19	33	—	—
Ohio.....	1,196	—	172	664	84	—	31	42	220	—	4
Oklahoma.....	409	—	44	120	112	—	3	126	—	—	—
Oregon.....	304	—	105	72	—	4	26	57	3	18	19
Pennsylvania.....	3,802	200	793	1,508	53	38	25	635	561	—	3
Rhode Island.....	430	—	90	86	33	—	17	210	—	7	6
South Carolina.....	807	—	18	313	38	—	5	261	174	—	—
South Dakota.....	118	49	23	43	—	(*)	—	—	—	—	—
Tennessee.....	1,328	—	142	724	222	—	234	—	3	—	3
Texas.....	4,255	25	1,195	776	467	3	478	410	884	—	19
Utah.....	642	—	—	195	52	145	—	90	154	—	6
Vermont.....	118	—	32	72	—	9	—	1	—	4	—
Virginia.....	1,995	88	158	1,038	332	7	68	234	69	—	—
Washington.....	474	46	50	102	127	5	61	50	27	5	1
West Virginia.....	202	—	81	80	26	—	—	—	25	—	—
Wisconsin.....	539	20	153	322	10	7	—	2	23	—	—
Wyoming.....	365	—	1	45	—	1	—	(*)	319	—	—
Other ⁴	113	—	—	21	26	—	—	41	—	—	24

¹Volume for new issues is the purchase price of the bond minus the amount used to refund earlier obligations.
²Includes wharves, mass commuting facilities, parking facilities, or storage facilities directly related to any of the preceding.
³Consists of water furnishing facilities, hydroelectric generating facilities, mass commuting vehicles, and local district heating and cooling facilities.
⁴Less than \$500,000.
Includes District of Columbia, Guam, Puerto Rico, and the Virgin Islands.
NOTE: Detail may not add to total because of rounding.

Sales of Capital Assets, 1981 and 1982

By Bobby Clark and David Paris*

For Tax Year 1981, there were 8.4 million individual returns [1] reporting a gross gain or loss from sales of "capital assets." The gross gain less loss reported totaled \$122.9 billion. For Tax Year 1977, the last previous year for which capital transactions were tabulated, there were 8.8 million returns reporting gains less losses totalling \$46.5 billion. There are many reasons for this 164 percent increase, one being the changes in tax laws since 1976 which affected the taxation of capital gains and losses.

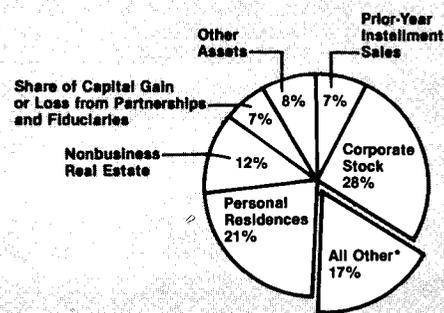
Even though there was a significant increase in the gross gain (less loss) from 1981 sales of capital assets [2], the amounts included in adjusted gross income (AGI) and the increases in taxes reported on these gains were not as significant. The increases in gains and losses during the 1976-81 period were partly due to inflation and also to law changes which effectively decreased the tax rate on gains. Although the lengthening of the required holding period for short-term gains may have offset this decrease to some extent. This change in the holding period is described below.

For 1973, 1977, and 1981, detailed data were obtained on the sales of capital assets that were associated with the net capital gains and losses included in AGI [3]. This article focuses on 1981 data for the asset types that accounted for most of the increase in gross gain for 1981 over 1977 [4]. For instance, as shown in Figure A, five asset types accounted for 75 percent of the gross gains reported for 1981. The most significant of these were corporate stock and sales of personal residences. As shown in Figure B, these same five asset types showed a substantial increase from 1977 to 1981.

For 1981, there were more than 28.6 million sales of capital assets transactions reported. As expected, corporate stock transactions was the asset type most frequently reported. These transactions numbered more than 13.6 million or approximately 48 percent of the total. The second most reported type of transaction was prior-year installment sales. They were re-

Figure A

Percentage Distribution of Gross Gains from Sales of Capital Assets, by Type of Asset, 1981



***All Other**

U.S. Government obligations
State and local Government obligations
Other bonds, notes, and debentures
Commodities, including futures contracts
Capital gain distributions
Capital gain distributions from small
- Business Corporations
- Monopolies distributions
- Non-qualified distributions
- Partnership sales
- Other distributions

Qualified gains on other depreciable real property, including certain buildings
All other livestock, except poultry, including certain livestock used in trade or business
Qualified gains on livestock, dairy cattle, swine, and horses
- Poultry
- Other livestock
- Other livestock used in trade or business

ported approximately 2.1 million times. Sales of commodities, capital gain distributions, shares of capital gain or loss from partnerships and fiduciaries, and sales of personal residences were next in order; each type was reported slightly more than one million times.

SHORT-TERM AND LONG-TERM TRANSACTIONS

The number of short-term transactions, i.e., transactions involving assets held for 12 months or less, increased from 5.6 million in 1977 to 11.6 million in 1981. The large increase in

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Figure B.--Number of Returns and Gross Gain or Loss, by Asset Type, 1977 and 1981

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

Asset type	1977			1981			Change from 1977	
	Number of returns	Gross gain	Gross loss	Number of returns	Gross gain	Gross loss	Gross gain	Percent
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All returns, total	8,845,115	\$60,021,334	\$13,534,115	8,405,189	\$151,670,416	\$28,766,391	\$90,649,082	153%
Corporate stock	2,760,804	13,684,818	6,861,349	3,426,181	42,820,936	12,364,554	29,136,118	213
Securities other than corporate stock	371,140	560,076	356,168	504,074	1,075,469	3,608,328	515,393	92
Commodities, including futures contracts ..	101,414	1,688,881	1,665,428	197,285	3,734,950	3,383,762	2,046,069	121
Capital gain distributions	1,540,638	1,098,216	40,803	944,965	1,957,399	222,391	859,183	78
Share of capital gain or loss from partnerships and fiduciaries	717,185	4,844,618	562,317	1,070,164	10,382,156	2,150,693	5,537,538	114
Capital gain distributions from small business corporations	49,494	267,257	1,665	62,382	495,871	3,356	228,614	86
Liquidation distributions	41,067	931,551	14,015	44,106	1,300,086	152,392	368,535	40
Lump-sum and other retirement plan distributions	69,067	335,081	-	50,237	354,767	2,897	19,686	6
Sale or involuntary conversion of certain depreciable and other property.....	858,114	3,008,545	444,134	323,830	4,621,240	145,897	1,612,695	54
Qualified gains on nonfarm depreciable business and personal property, except certain buildings	425,722	2,255,518	-	494,917	3,795,475	39	1,539,957	68
Qualified gains on other depreciable real property, including certain buildings ...	235,000	3,410,294	-	144,893	5,697,261	(4)	2,286,967	67
Qualified gains on farm land with unharvested crop and livestock, except poultry, used in trade or business	139,412	392,384	-	399,363	3,349,692	79,827	2,957,308	754
Standing timber	92,600	602,549	335	63,050	591,579	1,932	-10,970	-2
All other farm land	1,350	29,673	-	6,184	308,781	(4)	279,108	941
Oil and gas property	1,395	74,537	-	1,284	272,230	-	197,693	265
Personal residence ²	1,460,678	6,955,407	24,731	1,009,772	31,112,603	1,619	24,157,196	347
Nonbusiness real estate	637,472	4,595,919	176,720	725,029	18,476,517	280,762	13,880,598	302
Prior-year installment sales	572,433	3,972,739	7,708	1,421,364	9,913,982	357	5,941,243	150
Other types of assets ³	2,075,276	11,313,268	3,378,741	1,449,447	11,409,423	6,367,585	96,155	1

¹Data are overstated to the extent a taxpayer reported more than one type of property included in this combined category.

²The gain shown for sales of residences is the gross amount realized. Only a small part is taxable gain because of the tax deferral and exclusion provisions of the tax law relating to sales of residences.

³Other types of assets not elsewhere classified or transactions which were unidentified.

⁴Less than \$500.

NOTE: Due to reporting of more than one asset type on most returns, the number of returns for "All returns, total" are less than the sum of return totals for the specific asset type. Detail may not add to total because of rounding.

Figure C.--Returns with Short-Term or Long-Term Corporate Stock Sales Transactions: Selected Income and Tax Data, Gross Gain or Loss and Net Capital Gains, by Length of Period Held, 1981

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

Length of period held	Number of returns with sales of corporate stock	AGI less deficit	Taxable income	Income tax before credits	Total income tax	Net capital gain less loss	Gross gain		Gross loss	
							Number of stock transactions	Amount	Number of stock transactions	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All periods, total	3,426,181	\$164,611,568	\$138,161,427	\$42,649,913	\$41,763,369	\$20,309,787	7,066,509	\$42,820,936	6,603,278	\$12,364,554
Short-term:										
0 including 6 months	1,574,120	84,657,582	68,365,401	22,039,863	21,726,877	12,678,956	2,152,105	2,840,890	2,330,489	3,100,809
6 months including 12 months..	1,218,501	69,400,525	55,579,150	18,592,396	18,272,624	10,630,069	754,147	1,349,124	1,216,985	2,747,320
Short-term not determinable ¹ ..	146,235	8,892,668	6,884,760	2,383,897	2,390,378	1,620,951	138,017	269,945	145,819	648,845
Long-term:										
1 year under 5 years	2,126,188	124,221,402	100,726,791	34,075,232	33,449,023	18,537,305	2,135,082	10,708,610	1,531,482	2,799,961
5 years under 10 years	756,873	40,968,196	34,089,136	11,210,783	11,012,689	6,105,776	738,755	7,603,438	589,104	1,240,880
10 years under 20 years	773,300	40,740,929	34,162,299	11,127,866	11,014,972	6,506,916	585,288	8,927,676	560,160	1,032,918
20 years or more	262,469	14,259,530	12,028,673	4,112,547	4,067,779	2,795,719	308,022	6,409,383	117,331	177,565
Long-term not determinable ¹ ...	234,095	14,195,214	11,726,621	4,200,288	4,173,055	2,942,415	255,093	4,711,869	111,908	616,258

¹Includes transactions for which a period held could not be calculated because of missing dates, or for which the calculated period held did not agree with the definition of "short-term" or "long-term" for the year noted.

NOTE: Due to reporting of more than one transaction on most returns, the data in columns 1 through 6 for "All periods" are less than the sum of these items for the specific periods. Detail may not add to total because of rounding.

short-term transactions can be attributed to a provision of the Tax Reform Act of 1976, which changed the general definition of the holding period for long-term capital gain treatment from "more than 9 months" to "more than 12 months" for taxable years beginning after 1977. Also, reflecting this change, the number of long-term transactions declined from 16.4 million for 1977 to 12.1 million for 1981.

CORPORATE STOCK SALES

Figure C presents data by length of time held for corporate stock. The number of corporate stock transactions, which represent most of capital transactions each year, increased by nearly 38 percent for 1981 over 1977 and 50 percent over 1973. The statistics also show that for 1981 there was a movement back toward stock transactions, which were losing ground in 1977 to transactions involving securities other than stock (bonds, notes, etc.) and sales of commodities. However, in the absence of data for the intervening years it is impossible to determine whether this is part of a trend. Corporate stock transactions represented 47 percent of all transactions for 1981, an increase of 5.6 percent over 1977.

TAXATION OF CAPITAL GAINS

Individual income tax rates were reduced by the Economic Recovery Tax Act of 1981. As a result of this reduction, some taxpayers found that it was advantageous for them to sell in 1981 capital assets on which gains had previously accrued but which had not been realized because of the tax consequences. This "unlocking" effect was one possible factor in the increase in capital gains over the immediately preceding years.

The 1981 Act lowered the maximum tax rate on ordinary income from 70 percent to 50 percent. Correspondingly, the maximum tax rate on 1981 net capital gains for individuals was effectively lowered to 20 percent (the 50 percent maximum marginal tax rate x the 40 percent of net long-term gains that were included in AGI). This compares to the 28 percent maximum rate prevailing just before the 1981 Act and to the 1977 maximum rate of 35 percent (the 70 percent maximum rate x the 50 percent of net long-term gains that were included in AGI). The revised rates applied to gains realized after June 9, 1981.

Figure D shows net capital gains and the taxes on them for the 6-year period, 1977-82. In Figure D, net capital gains in AGI include only amounts reported on returns with net gains. Thus, these figures slightly overstate contributions of the capital gains tax to total individual income tax by excluding returns with net losses. These losses are deducted in computing taxable income, thereby reducing the tax.

Figure D.--Capital Gains Taxes, 1977-1982
[All figures are estimates based on samples--money amounts are in billions of dollars]

Tax Year	Net capital gain in AGI	Taxes on capital gains ¹	Capital gain taxes as a percent of total individual income taxes
	(1)	(2)	(3)
1977....	\$23.4	\$8.1	5.1%
1978....	26.2	9.3	4.9
1979....	31.3	11.7	5.5
1980....	32.7	12.5	5.0
1981....	34.7	12.7	4.3
1982....	38.5	12.9	4.5

¹Tax on short-term gains was estimated.

Source: Office of the Secretary, Office of Tax Analysis

In order to prevent certain high-income tax filers from paying little or no income tax, a revised "alternative minimum tax" was included in the 1981 Act. For purposes of the alternative minimum tax, the portion of net capital gains excluded from AGI (i.e., 60 percent of total net long-term capital gain) and certain itemized deductions in excess of 60 percent of AGI were considered to be "tax preference" items. These amounts had to be added to gross income less deductions to compute alternative minimum taxable income. The alternative minimum tax was payable only if it exceeded the sum of the regular tax plus any add-on "minimum tax." Under the alternative minimum tax, the maximum marginal rate on any capital gain was 25 percent of gain realized before June 10, 1981. The 1981 Act lowered the highest alternative minimum tax rate from 25 percent to 20 percent (at \$60,000 of alternative minimum taxable income) on gains realized after June 9, 1981. Thus, while certain capital gains might be subject to tax under the alternative minimum tax provisions, the alternative minimum tax did not increase the maximum possible rate at which long-term capital gains could be taxed under the regular individual income tax.

CHANGES IN THE LAW

Most of the law changes for 1981 applicable to capital gains and losses were a result of the Economic Recovery Tax Act of 1981 (ERTA). A summary of the three law changes affecting sales of capital assets for Tax Year 1981 is provided below.

Alternative Minimum Tax

The highest tax rate under the alternative minimum tax applicable to long-term capital gains excluded from AGI, was reduced from 25

percent to 20 percent under ERTA for transactions entered into after June 9, 1981. The alternative minimum tax was applied to certain "tax preferences," including the 60 percent of long-term capital gain excluded from AGI, and was used if it was larger than the regular income tax (as defined for this purpose). The total alternative minimum tax was the lesser of the "gross" alternative minimum tax or total "alternative minimum taxable income," or the tax on alternative minimum taxable income other than excluded long-term capital gains, plus a 20 percent tax on these gains.

Alternative Tax

The alternative method of tax computation made it possible for certain taxpayers to reduce the tax based on the "regular" tax computation. To benefit from this computation, taxpayers must have had long-term gains in excess of short-term losses from the sale of capital assets between June 9, 1981, and December 31, 1981. Income subject to the alternative tax was computed as the lesser of (1) the net capital gain for the year, or (2) the net capital gain for the year taking into account only gains or losses from sales or exchanges between June 9, 1981, and December 31, 1981.

This method of tax computation could only be advantageous to taxpayers with a marginal tax rate over 50 percent, whose filing status was:

- 1) single with taxable income over \$41,500,
- 2) joint or qualifying widower with dependent child and with taxable income over \$60,000,
- 3) head of household with taxable income over \$44,700, or
- 4) married filing separately with taxable income over \$30,000.

Sales of Personal Residences

There was no taxable gain on the sale of a personal residence if the taxpayer used the proceeds from the sale to purchase another personal residence as a replacement within a fixed period of time after the sale. The replacement period for exempting the gain on the sale of a personal residence from taxation was extended from 18 months to 2 years by ERTA. In addition, the one-time exclusion from income of the gain from the sale was increased from \$100,000 to \$125,000. These changes were effective for sales or exchanges after July 20, 1981.

DATA SOURCES AND LIMITATIONS

Sample

These data are estimates based on returns filed by U.S. taxpayers for Tax Year 1981. This detailed information, which covers capital gain distributions and sales of property, augments the data published in Statistics of Income--1981, Individual Income Tax Returns.

The 1981 statistics were based on a 63,824 Form 1040 return subsample of the full sample used for Statistics of Income--Individual Income Tax Returns [5]. Capital asset transaction data were separately edited from Schedule D, Capital Gains and Losses; Form 2119, Sale or Exchange of Principal Residence; Form 4797, Supplemental Schedule of Gains and Losses; and Form 6252, Computation of Installment Sale Income. The type of property, gross sales prices, cost and expense of sale, and gross gain or loss were edited for each transaction reported on any of the above schedules or on the taxpayers' own schedules. Excluded from the statistics were capital gain distributions reported directly on Form 1040; if taxpayers had no other capital transactions, they were excused from filing the Schedule D [6]. A capital loss carryover by itself was not considered a transaction; therefore, returns that only reported a loss from a previous year on the Schedule D were omitted from the tabulations.

Limitations

Although the return forms called for transaction detail (gross sales price, cost or other basis and expense of sale, and gross gain or loss) to support the total net gain or loss, some of this information was not always reported. If the taxpayer failed to provide the detail for the asset types, gross sales price was made equal to the gain and cost made equal to the loss during statistical processing.

In general, the tables are based on data as reported by the taxpayer. Although the sample returns were subject to mathematical verification, statistical editing and computer testing, no attempt was made to change the taxpayer's classification of an entry. For example, capital gain distributions and net long-term gains from Small Business Corporations that elected to be taxed through shareholders are generally long-term positive amounts; however, they were tabulated as short-term or as a loss if so reported. The taxpayer's vague description for certain asset types sometimes made it difficult to classify the data by transaction category. Whenever a transaction could not be allocated to a specific category, it was assigned to "other assets" in the statistics.

Because the data presented in this article are estimates based on a sample of returns, they are subject to sampling, as well as nonsampling, error. To properly use the statistical data provided, the magnitude of the sampling error must be known. Coefficients of variation (CV's), computed from the sample, are used to measure the magnitude of the sampling errors. The table below presents approximated CV's for frequency estimates for 1981. The approximate CV's shown here are intended only as a general indication of the reliability of the data. For numbers of returns other than those shown below,

Sale of Capital Assets, 1981 and 1982

Description of Assets/Transactions

Type of Asset/Transaction	Brief Description	Internal Revenue Code Sections
1. Corporate Stock	Stock in any corporation, and warrants. Excluded from this classification for the purpose of this article, but included in "Other types of Assets," were stock options or privileges, calls, puts, spreads and straddles.	1221
2. Securities Other Than Corporate Stock:		
U.S. Government Obligations	Bonds, notes, and other evidences of indebtedness issued by the U.S. Government, its instrumentalities, or possessions.	1232
State and Local Government Obligations	Investments in obligations of states or U.S. possessions, including obligations of political subdivisions and the District of Columbia.	1232
Other Bonds, Notes, and Debentures	Includes securities issued by corporations, banks and insurance companies.	1232
3. Commodities, Including Futures Contracts	Most sales or exchanges of crops or staples resulting from an obligation to buy or sell a fixed quantity of a commodity on a specific date at a fixed price. Except for a hedging transaction, a capital gain or loss resulted if the commodity future was a capital asset.	1233
4. Capital Gain Distributions	Long-term capital gains distributed or credited to stockholders in the form of cash or other property by regulated investment companies and real estate investment trusts.	852 857
5. Share of Capital Gain or Loss From Partnerships and Fiduciaries	Capital gains and losses allocated by partnerships and fiduciaries to partners and beneficiaries, respectively, who, in turn, reported distributive shares on their individual income tax returns.	665 702
6. Capital Gain Distributions From Small Business Corporations	Long-term capital gain distributions from earnings and profits of electing Small Business Corporations (reduced by the special tax imposed at the corporate level) taxed through each stockholder.	1375
7. Liquidation Distributions	Cash or other property received by a stockholder when a corporation was liquidated.	301
8. Lump-Sum and Other Retirement Plan Distributions	Lump-sum payments to employees from a qualified annuity plan or from an exempt trust which formed part of a pension, profit sharing or stock bonus plan.	402
9. Sales or Involuntary Conversions of Certain Depreciable and Other Property:		
Involuntary Conversions by Casualty or Theft	Depreciable business property, or nonbusiness property, held for more than 9 months, that was compulsorily converted into money or other property not similar or related in service or use to the converted property. Loss (or gain) was after adjustment for any insurance proceeds and was otherwise eligible for long-term capital loss (or gain) treatment.	1231

Description of Assets/Transactions--Continued

Type of Asset/Transaction	Brief Description	Internal Revenue Code Sections
Sales or Involuntary Conversions of Certain Depreciable and Other Property--Continued		
Involuntary Conversions by Other Than Casualty or Theft	Trade or business property held for more than 9 months and compulsorily converted e.g. by seizure or condemnation. Loss (or gain) was after adjustment for any insurance proceeds and was otherwise eligible for long-term capital loss (or gain) treatment.	1231
All Other Livestock, Except Poultry, Including Certain Livestock Used in Trade or Business	Unless covered under 13, below, cattle, hogs, horses, mules, donkeys, sheep, goats, fur-bearing animals (such as mink), and other mammals, if held for draft, breeding, dairy, or sporting purposes. Cattle and horses were included if held for 24 months or more; the holding period for other animals was 12 months or more.	1231
Cut Timber	Timber that was cut, if owned, or held under contract to cut, for more than 12 months, if an election was made to treat the cutting as a sale of property used in the taxpayer's trade or business.	631, 1231
Other Farm Land With Unharvested Crop	Farm land with unharvested crop that was sold (with no retention rights or options) or exchanged at the same time and to the same person, if the land was held for more than 12 months. Crops included fruit and nut trees.	1231
Qualified Trade or Business Assets and Transactions Not Elsewhere Classified	Business assets (either real property or depreciable personal property) eligible for long-term capital gain treatment that could not be classified by type of asset or transaction.	1231
10. Qualified Gains on Non-farm Depreciable Business and Personal Property, Except Certain Buildings	Property held for more than 1 year, if the gains exceeded pre-1969 accumulated depreciation and if the property (except livestock) was tangible (e.g. machinery or equipment) or intangible (e.g. patents or copyrights). Tangible property included certain real property (except buildings) if used in specified industrial activities or if used for specific purposes described in the Code.	1245 1231
11. Qualified Gains on Other Depreciable Real Property, Including Certain Buildings	Real property (not included in 10, above) held for more than 1 year, on which gains were realized. However, property on which gains were due to the excess of accelerated over straight-line depreciation for 1964-69 was only partially included depending on how long the property was held; property on which gains were due to excess depreciation after 1969 was not included at all.	1250 1231

Sale of Capital Assets, 1981 and 1982

Description of Assets/Transactions--Continued

Type of Asset/Transaction	Brief Description	Internal Revenue Code Sections
12. Qualified Gains on Farm Land With Unharvested Crop	Farming property held for more than 1 year, on which gains exceeded the post-1969 (a) difference between accelerated and straight-line depreciation, and (b) accumulated farm losses. Capital gain on farm land was further limited to amounts in excess of accumulated deductions for soil and water conservation expenses for the most recent years. Restrictions did not apply if nonfarm AGI or net farm loss was less than the amounts stated in the Code.	1245, 1251 1231
13. Qualified Gains on Livestock, Except Poultry, Used in Trade or Business	Depreciable livestock held for more than 1 year and used in farming, including race horses. Any gain from the sale of such livestock was reported as ordinary income to the extent that it was attributable to depreciation after 1969 (and excluded from the statistics). Any excess over depreciation was treated as long-term capital gain.	1251, 1231
14. Standing Timber	Investment property held by the taxpayer that was sold and treated the same as the sale or exchange of any other capital asset.	1221
15. All Other Farm Land	Includes farm land held for more than 1 year, with expenditures for soil and water conservation or land clearing, on which gain was realized.	1252, 1231
16. Oil and Gas Property	Operating mineral interests in oil and gas wells or geothermal deposits, the gain on which exceeded intangible drilling and development costs expensed over the lesser amount that could have been deducted currently if the costs were capitalized.	1254, 1231
17. Personal Residence	Principal residence or the home in which the taxpayer lived unless a "new" residence or home of at least equal cost was purchased within 2 years.	1034
18. Nonbusiness Real Estate	Unimproved real estate; rights-of-way on property; rental property; and all other real estate other than that reported as farm land with unharvested crop, other farm land, real estate subdivided, residences, and business assets.	1221
19. Prior-Year Installment Sales	The classification was used for deferred payments received from sales or exchanges of capital assets.	453
20. Other Types of Assets	Other assets (e.g., as mortgages, nonbusiness bad debts, life interests in estates, termination payments to employees, patents, and foreign currency conversions). Also includes property or transactions which the taxpayer did not specifically identify. See also 1, above.	Various

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 sample estimates are discussed in the Appendix.

<u>1981 Estimated Number of Returns</u>	<u>Approximate Coefficient of Variation</u>
8,375,400	0.03
4,711,000	0.04
3,015,100	0.05
753,800	0.10
188,400	0.20
84,000	0.30
47,000	0.40
30,000	0.50

EXPLANATION OF TERMS

Explanations of terms are designed to aid the user in interpreting the statistical content of this report and should not be construed as interpretations of the Internal Revenue Code or related regulations, procedures, or policies. Code section cited were those in effect for 1981.

Adjusted Gross Income (AGI)

This amount was the result of reducing gross income from all sources subject to tax by certain statutory adjustments. The income included in gross income was comprised of wages, salaries and tips; interest; dividends less exclusion; refunds of state and local income taxes; alimony received; business income (or loss); capital gain (or loss); gains (or losses) from sales of noncapital assets; fully taxable pensions and annuities; income (or loss) from rents, royalties, partnerships, estates, trusts, or farm and taxable unemployment compensation.

Adjustments were comprised of moving expenses, employee business expenses, payments to an Individual Retirement Arrangement (IRA), payments to a self-employed retirement or Keogh plan, interest penalty on early withdrawal from certain savings accounts, alimony paid, and disability income exclusion.

Cost or Other Basis and Expense of Sale

In general, this item included the amount paid, given, charged, or engaged to be paid or given, for a capital asset. The cost of property was increased by the expense for all items properly chargeable to the capital account, such as cost of improvements that added to the value of the asset, and costs of the purchase, commission, title search, and recording fees.

Gross Gain or Loss

For most transactions, gross gain (or loss) was the difference between the gross sales price and cost or other basis (less any allowable depreciation). However, for installment sales, the amount of gain reported for the current year was the payment actually received and was, therefore, less than the difference between the gross sales price and cost less depreciation.

Under the installment method, the profit on a sale was prorated over the period in which payments were to be received. Income from two types of installment sales are included in the statistics: (1) casual sale or other casual disposition of personal property (except inventory items) for a price exceeding \$1,000, and (2) a sale or other disposition of real property. In both cases, the sale had to be one in which two or more payments were contemplated. The installment method could be used only if the seller received no payments or payments of 30 percent or less of the selling price during the year of sale.

The income reported in the taxable year was that part of the payment received in the taxable year which was based on the ratio of profit to the total contract price during the year. Although losses were not reportable on the installment plan, they were included in the statistics if reported as such by the taxpayer.

For the statistics, installment sales were classified in either of two ways. Current-year sales were included with the specific asset type of the property sold or exchanged on an installment basis. Prior-year installment sales were classified as such, regardless of the specific type of property disposed of.

Gross Sales Price

The gross sales price represented cash or the fair market value of other property received, including mortgages, notes, and other evidences of indebtedness. Included at face value were any of the seller's liabilities assumed by the purchaser and any liabilities to which the property was subject, such as real estate taxes or mortgages.

Number of Transactions

Number of transactions was the number of sales or exchanges of property reported on a Schedule D, Capital Gains and Losses; Form 2119, Sale or Exchange of Principal Residence; Form 4797, Supplemental Schedule of Gains and Losses; and Form 6252, Computation of Installment Sale Income, or on the taxpayer's equivalent schedules.

Sales of Capital Assets, Net Gain or Loss

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

However, net gains from the disposition of certain of the latter class of property, while not classified as capital assets, could be treated as long-term capital gains under section 1231 of the Code. This included property used in a business, such as buildings and machinery; and also certain specific types of assets or transactions relating to sales of cut timber, coal, domestic iron ore and timber and unharvested crops sold with the land (if the land were held for more than 1 year).

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

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

Net short-term gain or loss--Gains and losses from the sales or exchanges of capital assets held for 1 year or less were considered to be short-term. For 1977, the holding period was 9 months or less. Short-term gains from current-year sales were combined with any short-term capital loss carryover and any net short-term gain or loss received from partnerships or fiduciaries.

Net long-term gain or loss--Gains and losses from sales or exchanges of capital assets held for more than 1 year were considered long-term and were eligible for special tax treatment (see "net capital gain"). To obtain the net long-term gain or loss, gains or losses from current-year transactions were combined with:

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

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

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

Net capital gain--If the combination of net short-term gain or loss and net long-term gain or loss resulted in a positive amount, the taxpayer had a net capital gain. For taxpayers with long-term capital gains, the actual amount shown as net capital gain (and thus, carried into AGI) was computed by first subtracting short-term capital losses (if any), and then subtracting 60 percent of the remaining amount. Short-term capital gains, on the other hand, were always fully includable in net capital gain.

If the only gain taxpayers had was from capital gain distributions, they were not required to file a Schedule D to report them. Instead, they were allowed to report them directly on Form 1040. These distributions were always considered to be long-term capital gains and are included in net capital gain.

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

Amounts of capital losses in excess of the above limitations, whichever was applicable, could be carried over to subsequent tax years, as described above.

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

Generally included property of a business nature, in contrast to personal and investment property which were capital assets. Some of the types of property specifically included were (1) certain depreciable, depletable, and

real business property; (2) accounts and notes receivable in the ordinary course of business (from the sale of goods and services ordinarily held for sale by the business or includable in the inventory of the business); (3) certain copyrights; literary, musical, or artistic compositions; or similar properties; (4) any share of gain or loss received through partnerships and fiduciaries; and (5) amounts resulting from certain "involuntary conversions" including net losses from casualty and theft.

Gains from the disposition of some property types not considered to be capital assets could be treated as capital gains under certain conditions. Conversely, under certain other conditions, gains from the disposition of some property types considered to be capital gains could be denied capital gains treatment.

Taxable and Nontaxable Returns

Taxability of a return for purposes of this article was determined by the presence of "total income tax" (the sum of income tax after credits and the additional tax for tax preferences).

Taxable Income

Taxable income was the amount to which taxpayers applied the tax tables or the tax rate schedules to arrive at income tax before credits. It was determined by subtracting from AGI "excess itemized deductions" (or by adding the "unused zero bracket amount") and the exemption amount. The zero bracket amount, that portion of income subject to tax at the zero percent rate, represented the first portion of taxable income.

Total Income Tax

Total income tax was the sum of income tax after credits and the additional tax for tax preferences.

NOTES AND REFERENCES

- [1] This number excludes returns if the only capital gains were those reported on Form 1040 as installment sales, and if the only capital losses were those carried over from prior years.
- [2] See Sales of Capital Assets Net Gain or Loss in Explanation of Terms section of this article for the definition of capital assets. See also, Galper, Harvey, and Steuerle, Eugene, "Tax Incentives for Savings," Statistics of Income Bulletin, Spring 1984, Vol. 3, No. 4.
- [3] Brame, Bertie, and Gilmour, Keith, "Sales of Capital Assets, 1973-1980," Statistics of Income Bulletin, Summer 1982, Vol. 2, No. 1. See also, Supplemental Report, Statistics of Income--1973, Sales of Capital Assets Reported on Individual Income Tax Returns.
- [4] See the Description of Assets/Transactions section in this article for a brief summary of the asset types.
- [5] Information on the full SOI sample from which the subsample was drawn is published in Statistics of Income--1981, Individual Income Tax Returns. See the Statistics of Income report for 1982, for a description of the sample for that year.
- [6] For 1981, there were 1.3 million returns with capital gain distributions amounting to \$0.5 million reported directly on Form 1040. The comparable figures for 1982 were 1.3 million and \$0.4 million. For additional information about capital gain distributions, see Statistics of Income--Individual Income Tax Returns for these two years.

Sale of Capital Assets on Individual Tax Returns, 1981

Returns With Net Capital Gain or Loss
 Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income—Continued
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	All capital asset transactions													
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Number of returns	Adjusted gross income in dollars	Taxable income	Income tax before credits	Total income tax	Number of transactions	Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount
U.S. Government Obligations														
All returns, total	194,196	6,518,944	6,533,637	2,348,829	2,377,739	285,465	228,438	48,712,187	289,894	48,704,722	111,979	501,822	153,492	494,447
No adjusted gross income	1,484	-228,884	-	19	5,782	4,830	4,456	2,980,278	4,102	2,994,112	2,251	45,820	2,479	48,455
Under \$10,000	16,654	188,958	47,895	2,628	2,978	16,654	16,654	138,283	16,654	138,283	16,654	138,283	16,654	138,283
\$10,000 under \$15,000	8,067	100,055	83,080	9,510	24,884	10,980	10,980	98,270	10,980	98,270	10,980	98,270	10,980	98,270
\$15,000 under \$20,000	8,249	144,806	117,043	17,043	16,831	8,249	8,249	67,135	8,249	67,135	8,249	67,135	8,249	67,135
\$20,000 under \$30,000	8,512	207,213	138,453	19,395	18,715	11,650	11,650	211,859	11,650	211,859	11,650	211,859	11,650	211,859
\$30,000 under \$50,000	53,528	2,280,484	1,890,822	416,511	408,809	88,341	88,341	22,867,261	88,341	22,867,261	34,000	75,010	54,349	79,105
\$50,000 under \$100,000	22,198	1,491,094	1,259,287	375,312	359,876	74,157	74,157	2,880,435	74,157	2,880,435	28,024	42,207	45,333	50,249
\$100,000 under \$200,000	9,880	1,402,861	1,024,906	425,283	434,954	31,300	31,300	3,862,515	31,300	3,862,515	15,454	22,708	15,846	12,022
\$200,000 under \$300,000	4,105	1,157,332	798,307	383,595	407,442	12,343	12,343	7,978,711	12,343	7,978,711	7,044	108,445	66,980	86,980
\$300,000 or more	1,419	1,868,025	1,160,689	688,554	687,387	6,881	6,881	9,163,364	6,881	9,163,364	3,321	140,732	3,360	105,184
Taxable returns, total	119,327	6,501,845	6,501,845	2,347,158	2,377,739	247,514	211,738	47,338,588	213,657	47,338,588	103,940	483,900	144,274	458,482
No adjusted gross income	152	-43,002	-	19	5,782	537	537	518,886	537	518,886	256	10,378	261	7,424
Under \$10,000	5,376	31,031	34,211	2,628	2,978	5,376	5,376	28,257	5,376	28,257	5,376	28,257	5,376	28,257
\$10,000 under \$15,000	8,074	100,012	80,207	9,510	24,884	9,007	9,007	80,603	9,007	80,603	9,007	80,603	9,007	80,603
\$15,000 under \$20,000	8,249	144,806	117,043	17,043	16,831	8,249	8,249	67,135	8,249	67,135	8,249	67,135	8,249	67,135
\$20,000 under \$30,000	8,510	207,171	138,453	19,395	18,715	11,646	11,646	211,742	11,646	211,742	11,646	211,742	11,646	211,742
\$30,000 under \$50,000	52,503	2,244,565	1,867,565	415,424	408,809	87,354	87,354	22,781,333	87,354	22,781,333	34,054	74,818	53,300	71,788
\$50,000 under \$100,000	22,195	1,480,886	1,259,275	375,312	359,876	74,140	74,140	2,843,168	74,140	2,843,168	28,012	41,711	45,328	50,238
\$100,000 under \$200,000	9,862	1,399,451	1,023,678	425,084	434,954	31,244	31,244	3,851,214	31,244	3,851,214	15,388	22,645	15,846	12,022
\$200,000 under \$300,000	4,091	1,153,296	797,419	383,191	407,442	12,280	12,280	7,761,302	12,280	7,761,302	7,015	108,167	5,275	67,958
\$300,000 or more	1,415	1,863,610	1,160,689	688,554	687,387	6,867	6,867	9,162,888	6,867	9,162,888	3,315	140,711	3,552	105,089
All returns, total	243,521	24,416,421	18,376,792	8,296,380	8,267,873	825,157	609,580	14,198,161	824,312	14,174,419	188,731	331,302	638,426	2,608,529
No adjusted gross income	6,182	-319,139	-	115	6,416	11,790	11,775	574,052	11,789	570,197	4,900	6,682	6,890	102,816
Under \$10,000	12,134	67,843	42,629	173	177	58,182	58,182	320,730	58,182	320,730	11,049	2,333	45,133	77,274
\$10,000 under \$15,000	16,030	211,690	164,954	38,670	37,951	110,180	110,180	713,648	110,180	713,648	54,744	35,570	55,436	72,204
\$15,000 under \$20,000	11,347	198,197	195,382	25,124	27,518	12,171	12,171	65,557	12,171	65,557	12,171	65,557	12,171	65,557
\$20,000 under \$30,000	12,832	332,102	269,849	47,704	50,730	19,477	19,477	171,380	19,477	171,380	19,477	171,380	19,477	171,380
\$30,000 under \$50,000	54,691	2,200,074	1,868,580	456,378	447,812	143,760	143,760	889,544	143,757	889,544	41,467	34,089	35,230	38,433
\$50,000 under \$100,000	68,482	4,709,074	3,786,490	1,141,628	1,116,726	189,751	189,751	2,077,430	189,699	2,077,430	33,022	45,345	46,657	50,356
\$100,000 under \$200,000	38,433	5,382,105	4,376,253	1,652,385	1,629,848	131,757	131,757	2,494,234	131,754	2,494,234	18,144	36,935	38,935	42,613
\$200,000 under \$300,000	18,144	5,948,794	4,188,790	2,127,182	2,111,630	95,780	95,780	3,047,133	95,574	3,047,133	17,803	81,657	78,187	84,664
\$300,000 or more	5,036	6,087,678	4,377,886	2,607,013	2,579,467	38,289	38,168	3,804,522	38,165	3,804,522	7,802	88,683	30,467	384,636
Taxable returns, total	230,005	24,685,619	18,368,685	8,283,131	8,267,873	774,861	750,294	13,465,719	774,822	13,465,719	179,507	328,083	595,354	2,449,579
No adjusted gross income	185	-55,141	-	115	6,416	1,230	1,225	146,695	1,229	146,695	222	2,240	988	20,072
Under \$10,000	5,598	42,845	42,625	173	177	16,796	16,796	85,730	16,796	85,730	5,598	2,239	4,628	4,628
\$10,000 under \$15,000	16,030	211,690	164,954	38,670	37,951	110,180	110,180	713,648	110,180	713,648	54,744	35,570	55,436	72,204
\$15,000 under \$20,000	11,347	198,197	195,382	25,124	27,518	12,171	12,171	65,557	12,171	65,557	12,171	65,557	12,171	65,557
\$20,000 under \$30,000	12,832	332,029	269,827	47,701	50,729	19,465	19,465	171,129	19,465	171,129	19,465	171,129	19,465	171,129
\$30,000 under \$50,000	54,770	2,195,816	1,855,446	456,378	447,812	149,638	149,638	889,544	149,638	889,544	41,467	34,089	35,230	38,433
\$50,000 under \$100,000	68,454	4,705,816	3,784,828	1,141,224	1,116,224	189,681	189,681	2,077,431	189,629	2,077,431	33,022	45,345	46,657	50,356
\$100,000 under \$200,000	38,433	5,382,105	4,376,253	1,652,385	1,629,848	131,757	131,757	2,494,234	131,754	2,494,234	18,144	36,935	38,935	42,613
\$200,000 under \$300,000	18,132	5,945,558	4,185,754	2,126,745	2,111,630	95,507	95,507	3,045,521	95,507	3,045,521	17,802	81,657	78,187	84,664
\$300,000 or more	5,027	6,078,850	4,373,618	2,604,817	2,579,467	38,183	38,062	3,750,821	38,059	3,750,821	7,746	88,123	30,467	384,152

Footnotes at end of table.

Returns With Net Capital Gain or Loss
Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income — Continued
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	All capital asset transactions														
	Number of returns		Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	Gross sales price		Cost or other basis and expense of sale		Gross gain		Gross loss	
	(1)	(2)						(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Capital Gain Distributions															
All returns, total	944,965	46,622,667	40,196,143	12,792,343	12,505,310	1,145,400	—	—	—	—	—	1,033,066	1,857,399	112,334	222,391
No adjusted gross income	8,758	-777,488	—	*116	22,429	6,849	—	—	—	—	—	6,561	67,958	288	9,393
Under \$10,000	126,189	683,862	624,335	31,601	30,996	130,204	—	—	—	—	—	127,432	106,979	*2,772	*1
\$10,000 under \$15,000	66,331	661,879	761,821	103,268	100,968	80,982	—	—	—	—	—	67,781	49,513	*13,201	*5,481
\$15,000 under \$20,000	40,133	712,652	584,065	71,420	73,413	40,725	—	—	—	—	—	40,389	18,954	*383	*426
\$20,000 under \$30,000	139,732	3,526,959	3,193,667	503,648	503,648	197,277	—	—	—	—	—	183,055	277,114	*14,222	*95,650
\$30,000 under \$50,000	259,549	9,850,475	8,828,773	1,865,979	1,824,080	300,706	—	—	—	—	—	261,366	300,501	39,340	15,812
\$50,000 under \$100,000	224,620	14,807,525	12,713,443	3,797,810	3,687,824	292,707	—	—	—	—	—	259,198	460,015	23,509	46,621
\$100,000 under \$200,000	58,512	7,794,675	6,494,655	2,698,744	2,632,034	76,754	—	—	—	—	—	63,540	265,645	13,214	24,632
\$200,000 under \$500,000	19,575	4,489,771	4,272,566	2,122,680	2,092,526	24,139	—	—	—	—	—	19,920	253,049	4,219	17,092
\$500,000 or more	3,556	3,772,369	2,734,818	1,597,177	1,582,224	5,057	—	—	—	—	—	3,914	154,771	1,143	7,215
Taxable returns, total	864,079	46,670,172	39,730,075	12,733,306	12,505,310	1,061,866	—	—	—	—	—	951,046	1,874,114	110,820	221,632
No adjusted gross income	1,007	-149,966	—	*116	22,429	1,026	—	—	—	—	—	1,013	44,241	*13	*8,641
Under \$10,000	71,920	488,285	486,090	30,504	30,996	73,463	—	—	—	—	—	71,920	38,427	*1,541	(2)
\$10,000 under \$15,000	62,944	822,708	756,378	103,214	100,998	77,595	—	—	—	—	—	64,304	38,427	*13,201	*5,481
\$15,000 under \$20,000	40,026	711,035	582,964	71,375	73,413	40,512	—	—	—	—	—	40,068	16,717	*426	*383
\$20,000 under \$30,000	128,633	3,215,095	2,914,486	465,934	458,786	186,178	—	—	—	—	—	171,956	274,167	*14,222	*95,650
\$30,000 under \$50,000	253,582	9,748,316	8,812,486	1,865,841	1,824,080	294,739	—	—	—	—	—	255,399	291,331	39,340	15,812
\$50,000 under \$100,000	224,344	14,781,955	12,697,981	3,778,738	3,687,824	282,431	—	—	—	—	—	258,922	460,685	23,509	46,621
\$100,000 under \$200,000	58,506	7,793,853	6,484,650	2,698,744	2,632,034	76,748	—	—	—	—	—	63,534	265,641	13,214	24,632
\$200,000 under \$500,000	19,561	4,486,522	4,270,221	2,121,663	2,092,526	24,117	—	—	—	—	—	19,906	255,011	4,211	17,197
\$500,000 or more	3,556	3,772,369	2,734,818	1,597,177	1,582,224	5,057	—	—	—	—	—	3,914	154,771	1,143	7,215
All returns, total	786,578	50,172,515	40,766,204	15,054,883	15,003,795	1,070,164	—	—	—	—	—	761,926	10,382,156	308,538	2,150,693
No adjusted gross income	19,349	-2,773,376	—	*155	58,433	26,263	—	—	—	—	—	23,595	1,156,886	2,669	97,535
Under \$10,000	111,885	580,483	577,008	33,804	47,327	155,146	—	—	—	—	—	113,131	775,953	42,015	1,130,454
\$10,000 under \$15,000	50,320	697,161	543,825	54,740	79,402	61,689	—	—	—	—	—	33,811	146,405	27,877	65,165
\$15,000 under \$20,000	28,059	503,362	453,362	55,078	57,962	32,962	—	—	—	—	—	24,367	52,584	6,595	1,587
\$20,000 under \$30,000	94,178	2,350,490	1,865,056	314,190	304,211	121,324	—	—	—	—	—	86,600	593,227	34,724	36,147
\$30,000 under \$50,000	177,855	7,228,893	5,977,587	1,267,917	1,239,856	238,177	—	—	—	—	—	177,635	734,860	60,542	88,224
\$50,000 under \$100,000	185,469	12,962,040	10,071,306	3,022,467	2,968,066	252,054	—	—	—	—	—	171,704	1,556,682	80,350	184,439
\$100,000 under \$200,000	82,916	11,221,060	8,640,027	3,542,841	3,475,725	120,746	—	—	—	—	—	86,484	1,700,145	34,262	146,359
\$200,000 under \$500,000	30,747	6,922,883	6,627,424	3,281,959	3,279,628	48,391	—	—	—	—	—	34,683	1,629,578	13,698	170,059
\$500,000 or more	7,700	8,519,495	5,990,608	3,481,732	3,483,178	13,413	—	—	—	—	—	9,606	2,033,856	3,807	220,702
Taxable returns, total	705,093	51,660,743	40,457,126	15,034,815	15,003,795	939,615	—	—	—	—	—	662,900	9,332,440	276,715	947,358
No adjusted gross income	3,108	-487,025	—	*155	58,433	4,461	—	—	—	—	—	3,488	539,566	975	33,638
Under \$10,000	59,469	384,190	425,157	32,608	47,327	63,998	—	—	—	—	—	47,506	512,433	16,492	7,188
\$10,000 under \$15,000	47,197	596,651	528,613	54,496	79,402	58,565	—	—	—	—	—	31,803	126,539	*28,762	*54,036
\$15,000 under \$20,000	24,732	447,222	419,204	51,627	57,968	28,818	—	—	—	—	—	20,238	48,978	*8,560	*1,545
\$20,000 under \$30,000	89,597	2,246,438	1,870,198	313,465	304,211	115,029	—	—	—	—	—	83,322	463,010	31,707	35,020
\$30,000 under \$50,000	174,825	7,100,371	5,906,588	1,257,359	1,239,856	235,059	—	—	—	—	—	174,765	797,715	60,250	84,958
\$50,000 under \$100,000	184,866	12,940,370	10,052,457	3,019,554	2,968,066	251,295	—	—	—	—	—	171,105	1,556,680	80,350	184,439
\$100,000 under \$200,000	82,851	11,213,657	8,638,784	3,542,861	3,475,725	120,661	—	—	—	—	—	86,402	1,629,578	34,262	146,359
\$200,000 under \$500,000	30,729	8,917,961	6,626,035	3,281,283	3,279,628	48,367	—	—	—	—	—	34,673	1,629,578	13,698	170,048
\$500,000 or more	7,699	8,518,909	5,990,080	3,481,408	3,483,178	13,412	—	—	—	—	—	9,605	2,032,925	3,807	220,702

Footnotes at end of table.

Sales of Capital Assets on Individual Tax Returns, 1981

Table 1. — All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income — Continued

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

Asset type and size of adjusted gross income	All capital asset transactions															
	Number of returns (1)	Adjusted gross income less deficit (2)	Taxable income (3)	Income tax less credits (4)	Total income tax (5)	Number of transactions (6)	Gross sales price			Cost or other basis and expense of sale			Gross gain		Gross loss	
							Number of transactions (7)	Amount (8)	Number of transactions (9)	Amount (10)	Number of transactions (11)	Amount (12)	Number of transactions (13)	Amount (14)		
Capital Gain Distributions From Small Business Corporations																
All returns, total	62,382	3,654,011	2,988,088	1,136,372	1,092,687	71,010	—	—	—	—	—	—	—	485,871	3,195	3,356
No adjusted gross income	734	-247,516	—	—	8,687	804	—	—	—	—	—	—	—	19,434	—	—
Under \$10,000	16,702	84,700	68,223	2,795	2,731	16,702	—	—	—	—	—	—	—	19,464	13	57
\$10,000 under \$15,000	3,138	30,833	20,779	30,833	1,025	3,140	—	—	—	—	—	—	—	6,882	843	658
\$15,000 under \$20,000	4,947	84,322	84,322	15,016	11,948	4,947	—	—	—	—	—	—	—	49,000	—	—
\$20,000 under \$30,000	6,423	190,090	163,512	25,294	24,472	7,662	—	—	—	—	—	—	—	7,147	—	—
\$30,000 under \$50,000	10,008	448,471	354,224	68,816	65,893	10,808	—	—	—	—	—	—	—	67,421	—	—
\$50,000 under \$100,000	11,244	807,437	586,884	176,186	155,073	14,497	—	—	—	—	—	—	—	63,273	—	—
\$100,000 under \$200,000	5,402	697,610	590,832	215,730	192,756	7,131	—	—	—	—	—	—	—	78,015	—	—
\$200,000 under \$500,000	2,183	633,945	475,592	234,613	230,073	2,695	—	—	—	—	—	—	—	25,474	—	—
\$500,000 or more	801	910,312	656,655	395,843	400,020	1,140	—	—	—	—	—	—	—	141,760	87	98
Taxable returns, total	48,095	3,726,885	2,906,035	1,129,810	1,092,687	56,616	—	—	—	—	—	—	—	442,035	3,190	3,301
No adjusted gross income	392	-54,914	—	—	8,687	445	—	—	—	—	—	—	—	7,410	8	2
Under \$10,000	5,782	35,983	35,975	2,671	2,731	5,782	—	—	—	—	—	—	—	474	—	—
\$10,000 under \$15,000	947	10,689	10,642	980	1,025	949	—	—	—	—	—	—	—	6	—	—
\$15,000 under \$20,000	4,947	84,322	84,322	15,016	11,948	4,947	—	—	—	—	—	—	—	49,000	843	658
\$20,000 under \$30,000	6,423	190,090	163,512	25,294	24,472	7,662	—	—	—	—	—	—	—	7,147	—	—
\$30,000 under \$50,000	10,347	429,804	349,784	68,460	65,893	10,347	—	—	—	—	—	—	—	76,053	—	—
\$50,000 under \$100,000	10,683	781,346	569,041	171,346	155,073	14,136	—	—	—	—	—	—	—	58,691	—	—
\$100,000 under \$200,000	5,402	697,610	590,832	215,730	192,756	7,131	—	—	—	—	—	—	—	78,015	—	—
\$200,000 under \$500,000	2,181	633,544	475,272	234,459	230,073	2,683	—	—	—	—	—	—	—	25,472	—	—
\$500,000 or more	601	910,312	658,655	395,843	400,020	1,140	—	—	—	—	—	—	—	141,760	87	98
All returns, total	44,106	3,339,671	2,754,324	1,104,689	1,127,485	51,505	—	—	—	—	—	—	—	1,300,086	13,547	152,392
No adjusted gross income	1,588	-279,255	—	—	6,247	1,646	—	—	—	—	—	—	—	48,650	114	6,280
Under \$10,000	5,386	22,304	22,500	—	—	5,388	—	—	—	—	—	—	—	—	—	55,980
\$10,000 under \$15,000	5,030	65,676	37,689	1,870	2,556	5,030	—	—	—	—	—	—	—	7,405	385	45,387
\$15,000 under \$20,000	529	8,685	3,543	182	182	529	—	—	—	—	—	—	—	—	529	6,604
\$20,000 under \$30,000	9,995	280,067	258,436	35,350	35,526	9,995	—	—	—	—	—	—	—	74,967	2,411	2,448
\$30,000 under \$50,000	779	34,321	29,027	6,488	6,434	845	—	—	—	—	—	—	—	44,926	29	1,156
\$50,000 under \$100,000	12,565	846,924	721,850	210,504	210,504	16,181	—	—	—	—	—	—	—	73,157	2,500	7,597
\$100,000 under \$200,000	5,244	734,438	523,509	211,918	208,189	7,441	—	—	—	—	—	—	—	178,507	1,169	5,774
\$200,000 under \$500,000	1,943	567,106	411,254	205,372	212,990	2,932	—	—	—	—	—	—	—	157,353	666	10,788
\$500,000 or more	835	1,059,806	746,516	432,775	441,809	1,308	—	—	—	—	—	—	—	714,122	148	10,439
Taxable returns, total	36,381	3,544,391	2,728,296	1,104,477	1,127,485	43,746	—	—	—	—	—	—	—	1,278,184	6,982	42,197
No adjusted gross income	409	-37,536	—	—	6,247	436	—	—	—	—	—	—	—	27,885	60	4,053
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 under \$200,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$200,000 under \$500,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$500,000 or more	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Footnotes at end of table.

Returns With Net Capital Gain or Loss

Table 1. — All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income — Continued

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

Asset type and size of adjusted gross income	Number of returns (1)	Adjusted gross income less deficit (2)	Taxable income (3)	Income tax before credits (4)	Total income tax (5)	Number of transactions (6)	Gross sales price				All capital asset transactions				Gross loss Amount (14)
							Number of transactions (7)	Amount (8)	Number of transactions (9)	Amount (10)	Number of transactions (11)	Amount (12)	Number of transactions (13)	Amount (14)	
Lump-Sum and Other Retirement Plan Distributions															
All returns, total	50,237	1,987,537	1,637,561	421,054	412,938	55,549	—	—	—	—	—	—	—	—	2,897
No adjusted gross income	*13	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Under \$10,000	*8,187	*34,851	*34,851	*4,575	*4,569	*13	—	—	—	—	—	—	—	—	*139
\$10,000 under \$15,000	—	—	—	—	—	*8,187	—	—	—	—	—	—	—	—	—
\$15,000 under \$20,000	*6,418	*116,896	*116,717	*15,582	*15,354	*6,418	—	—	—	—	—	—	—	—	—
\$20,000 under \$30,000	*5,728	*146,602	*129,682	*15,518	*13,856	*5,728	—	—	—	—	—	—	—	—	—
\$30,000 under \$50,000	*21,037	*668,536	*732,397	*154,666	*151,084	*26,176	—	—	—	—	—	—	—	—	—
\$50,000 under \$100,000	7,818	468,696	366,488	90,847	87,648	7,818	—	—	—	—	—	—	—	—	—
\$100,000 under \$200,000	*503	*80,568	*56,954	*25,129	*25,863	*503	—	—	—	—	—	—	—	—	—
\$200,000 under \$500,000	417	108,926	87,407	48,409	47,674	573	—	—	—	—	—	—	—	—	—
\$500,000 or more	116	171,575	111,086	66,248	66,464	133	—	—	—	—	—	—	—	—	—
Taxable returns, total	50,229	1,993,953	1,637,561	421,054	412,938	55,541	—	—	—	—	—	—	—	—	2,896
No adjusted gross income	*5	*2,694	—	—	*405	*5	—	—	—	—	—	—	—	—	—
Under \$10,000	*8,187	*34,851	*34,851	*4,575	*4,569	*8,187	—	—	—	—	—	—	—	—	*48
\$10,000 under \$15,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$15,000 under \$20,000	*6,418	*116,896	*116,717	*15,582	*15,354	*6,418	—	—	—	—	—	—	—	—	—
\$20,000 under \$30,000	*5,728	*146,602	*129,682	*15,518	*13,856	*5,728	—	—	—	—	—	—	—	—	—
\$30,000 under \$50,000	*21,037	*668,536	*732,397	*154,666	*151,084	*26,176	—	—	—	—	—	—	—	—	—
\$50,000 under \$100,000	7,818	468,696	366,488	90,847	87,648	7,818	—	—	—	—	—	—	—	—	—
\$100,000 under \$200,000	*503	*80,568	*56,954	*25,129	*25,863	*503	—	—	—	—	—	—	—	—	—
\$200,000 under \$500,000	417	108,926	87,407	48,409	47,674	573	—	—	—	—	—	—	—	—	—
\$500,000 or more	116	171,575	111,086	66,248	66,464	133	—	—	—	—	—	—	—	—	—
Involuntary Casualty/Theft Conversions															
All returns, total	38	28,486	14,186	8,821	9,731	42	—	—	—	—	—	—	—	—	—
No adjusted gross income	**	**	—	—	—	**	—	—	—	—	—	—	—	—	—
Under \$10,000	**	**	*13	**	**	**	—	—	—	—	—	—	—	—	—
\$10,000 under \$15,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$15,000 under \$20,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$30,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$30,000 under \$50,000	**	**	*70	**23	*17	**	—	—	—	—	—	—	—	—	—
\$50,000 under \$100,000	*24	*2,393	*504	*34	*971	*24	—	—	—	—	—	—	—	—	—
\$100,000 under \$200,000	*4	*1,554	*1,131	*552	*533	*4	—	—	—	—	—	—	—	—	—
\$200,000 under \$500,000	*10	*25,539	*12,478	*8,213	*8,208	*14	—	—	—	—	—	—	—	—	—
\$500,000 or more	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Taxable returns, total	38	28,486	14,186	8,821	9,731	42	—	—	—	—	—	—	—	—	—
No adjusted gross income	**	**	—	—	—	**	—	—	—	—	—	—	—	—	—
Under \$10,000	**	**	*13	**	*3	**	—	—	—	—	—	—	—	—	—
\$10,000 under \$15,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$15,000 under \$20,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$30,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$30,000 under \$50,000	**	**	*70	**23	*17	**	—	—	—	—	—	—	—	—	—
\$50,000 under \$100,000	*24	*2,393	*504	*34	*971	*24	—	—	—	—	—	—	—	—	—
\$100,000 under \$200,000	*4	*1,554	*1,131	*552	*533	*4	—	—	—	—	—	—	—	—	—
\$200,000 under \$500,000	*10	*25,539	*12,478	*8,213	*8,208	*14	—	—	—	—	—	—	—	—	—
\$500,000 or more	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Footnotes at end of table.

Sales of Capital Assets on Individual Tax Returns, 1981

Returns With Net Capital Gain or Loss
Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income — Continued

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

Asset type and size of adjusted gross income	All capital asset transactions													
	-Number of returns (1)	Adjusted gross income less deficit (2)	Taxable income (3)	Income tax before credits (4)	Total income tax (5)	Number of transactions (6)	Gross sales price (7)		Cost or other basis (8)		Gross gain (11)		Gross loss (12)	
							Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount
Involuntary Conversions by Other Than Casualty or Theft (Section 1231)														
All returns, total	295,181	20,099,478	17,416,898	6,680,585	6,632,462	384,390	333,086	5,046,757	140,032	1,168,551	297,361	4,204,433	87,029	123,545
No adjusted gross income	21,949	-2,417,635	161,000	*12,503	34,674	28,268	24,211	643,113	13,185	162,492	19,547	541,884	8,721	40,959
Under \$10,000	28,161	151,892	161,000	*12,503	34,674	28,268	24,211	643,113	13,185	162,492	19,547	541,884	8,721	40,959
\$10,000 under \$15,000	20,502	253,612	227,909	18,137	13,694	36,625	28,722	183,916	21,941	96,684	28,609	121,221	*8,016	*2,041
\$15,000 under \$20,000	12,676	221,100	189,480	16,956	13,216	25,038	25,518	143,204	9,773	88,128	23,011	56,801	*2,527	*3,686
\$20,000 under \$30,000	41,472	1,040,789	959,028	135,515	115,157	48,963	47,163	387,956	18,366	242,229	33,667	185,851	14,996	17,840
\$30,000 under \$50,000	47,228	1,886,894	1,613,415	323,360	309,164	57,929	47,281	219,661	15,469	89,726	45,225	163,094	12,704	8,253
\$50,000 under \$100,000	65,972	4,622,099	3,638,422	1,050,450	1,029,058	91,473	80,922	733,523	25,525	142,704	70,979	643,745	20,494	18,088
\$100,000 under \$200,000	37,876	5,186,863	4,028,211	1,612,718	1,599,355	45,329	39,371	904,865	8,354	78,527	38,254	843,562	7,075	8,068
\$200,000 under \$500,000	15,277	4,501,694	3,330,196	1,630,499	1,637,319	16,163	16,163	744,189	4,052	106,306	15,864	654,860	3,689	10,065
\$500,000 or more	4,068	4,652,189	3,269,237	1,879,865	1,865,716	5,974	5,059	887,030	1,344	65,742	4,825	939,030	1,149	11,881
Taxable returns, total	245,478	21,829,546	17,183,668	6,659,910	6,632,462	317,993	271,122	4,422,733	108,499	898,152	249,137	3,773,832	66,846	80,094
No adjusted gross income	2,206	-389,568	93,972	*8,850	34,674	31,443	2,760	245,784	1,043	42,819	2,541	214,087	602	6,156
Under \$10,000	11,927	78,416	83,972	*8,850	34,674	31,443	2,760	245,784	1,043	42,819	2,541	214,087	602	6,156
\$10,000 under \$15,000	9,746	134,689	125,425	*12,912	15,109	14,782	14,782	30,914	7,545	*11,279	9,544	59,558	*6,388	*194
\$15,000 under \$20,000	12,676	221,100	189,480	16,956	13,216	25,038	17,776	99,500	22,023	86,014	12,255	27,984	*2,527	*3,686
\$20,000 under \$30,000	39,431	988,563	920,503	129,983	115,157	39,901	38,302	376,546	10,184	224,937	32,987	182,143	*7,658	*2,683
\$30,000 under \$50,000	46,699	1,865,619	1,600,338	320,330	309,164	57,986	46,656	213,345	15,949	89,703	44,802	157,345	12,584	8,241
\$50,000 under \$100,000	65,992	4,507,058	3,630,570	1,049,479	1,029,058	91,092	80,553	731,889	25,412	139,183	70,711	642,113	20,381	14,570
\$100,000 under \$200,000	37,876	5,186,863	4,028,211	1,612,718	1,599,355	45,329	39,366	904,865	8,353	78,527	38,249	843,521	7,074	8,068
\$200,000 under \$500,000	15,286	4,498,242	3,269,237	1,879,865	1,865,716	19,536	16,146	743,014	4,052	106,306	15,847	653,685	3,689	10,065
\$500,000 or more	4,064	4,646,438	3,265,774	1,877,965	1,865,716	5,970	5,055	888,004	1,344	65,742	4,821	938,004	1,149	11,881
All returns, total	28,609	1,122,781	1,023,963	286,720	277,712	34,847	33,911	682,641	29,097	427,135	24,459	415,543	10,188	22,301
No adjusted gross income	811	-131,517	1,401	1,790	1,790	1,290	1,259	62,833	1,250	67,361	84	12,178	1,206	8,289
Under \$10,000	*1,339	*1,401	*1,401	*1,974	*1,553	*3,403	*3,403	*19,240	*3,403	*16,517	*825	*7,033	*2,578	*2,579
\$10,000 under \$15,000	*2,115	*28,038	*28,038	*9,992	*5,838	*6,616	*6,616	*99,379	*6,616	*76,432	*2,756	*64,709	*3,860	*166
\$15,000 under \$20,000	*6,616	*104,092	*104,092	*27,558	*27,558	*12,426	*12,426	*244,177	*10,770	*128,494	*11,288	*157,920	*1,138	*74
\$20,000 under \$30,000	*8,815	*227,432	*204,394	*17,558	*17,558	*12,426	*12,426	*244,177	*10,770	*128,494	*11,288	*157,920	*1,138	*74
\$30,000 under \$50,000	*2,227	*96,966	*83,598	*17,440	*17,093	*2,227	*2,227	*71,546	*1,586	*42,250	*2,227	*57,903	*882	*8,050
\$50,000 under \$100,000	5,120	383,530	296,645	86,829	86,862	5,629	5,267	62,668	3,269	62,668	4,747	26,532	*311	*121
\$100,000 under \$200,000	1,136	165,798	115,821	46,078	37,440	1,138	832	39,786	578	12,107	255	11,006	78	2,197
\$200,000 under \$500,000	1,300	91,270	74,150	38,375	38,375	331	320	15,796	118	8,151	255	11,006	78	2,197
\$500,000 or more	130	154,775	115,153	67,581	61,102	217	191	37,140	168	9,608	111	30,097	108	791
Taxable returns, total	25,660	1,227,753	1,010,412	295,947	277,712	31,238	30,527	619,265	25,820	357,751	22,150	405,493	9,088	14,032
No adjusted gross income	147	-9,217	1,401	1,790	1,790	166	160	*11,893	146	*5,360	*29	*7,394	*137	*54
Under \$10,000	*1,313	*18,928	*18,600	*1,466	*1,553	*2,601	*2,601	*13,626	*2,601	*13,044	*23	*4,866	*2,578	*2,579
\$10,000 under \$15,000	*6,616	*104,092	*104,092	*9,992	*5,838	*6,616	*6,616	*99,379	*6,616	*76,432	*2,756	*64,709	*3,860	*166
\$15,000 under \$20,000	*8,784	*226,712	*203,903	*28,178	*27,558	*12,426	*12,426	*243,945	*10,739	*128,184	*11,288	*157,920	*1,138	*74
\$20,000 under \$30,000	*2,116	*92,264	*82,266	*17,332	*17,093	*2,116	*2,116	*68,771	*1,586	*42,250	*2,116	*55,128	*882	*8,050
\$30,000 under \$50,000	5,119	386,461	296,638	86,862	86,862	4,746	4,266	62,668	3,269	62,668	4,746	28,532	*311	*121
\$50,000 under \$100,000	1,136	165,798	115,821	46,078	37,440	1,138	832	39,786	578	12,107	254	10,615	76	2,197
\$100,000 under \$200,000	289	90,941	73,959	38,375	38,375	330	319	15,205	117	7,899	254	30,097	106	791
\$200,000 under \$500,000	130	154,775	115,153	67,581	61,102	217	191	37,140	168	9,608	111	30,097	106	791

Footnotes at end of table.

Returns With Net Capital Gain or Loss

Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income — Continued

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

Asset type and size of adjusted gross income	Number of returns (1)	Adjusted gross income less deficit (2)	Taxable income (3)	Income tax before credits (4)	Total income tax (5)	Number of transactions (6)	Gross sales price (7)		Cost or other basis and expense of sale (8)		All capital asset transactions (9)		Gross gain (12)	Gross loss (14)
							Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount		
Qualified Gains on Nonfarm Depreciable Business and Personal Property, Except Certain Buildings (Section 1245)														
All returns, total	484,917	13,752,520	13,840,061	3,797,381	3,516,875	851,374	850,901	7,661,549	792,040	7,013,364	840,964	3,795,475	10,410	39
No adjusted gross income	52,149	-2,648,350	—	—	33,269	148,534	149,480	1,650,701	136,548	1,453,416	149,015	688,636	519	2
Under \$10,000	74,235	3,023	279,165	3,023	1,531	113,310	113,310	505,140	100,793	577,465	12,165	211,295	1,145	2
\$10,000 under \$15,000	55,530	686,811	625,274	45,057	31,315	82,631	82,631	734,859	81,489	850,697	82,631	259,378	—	(2)
\$15,000 under \$20,000	60,737	1,054,383	1,011,795	84,276	87,665	97,665	97,665	374,614	69,821	415,928	85,655	149,378	2,010	(2)
\$20,000 under \$30,000	82,819	2,043,014	1,815,345	261,442	180,811	130,863	130,863	563,652	123,523	682,348	130,089	314,972	764	(2)
\$30,000 under \$50,000	96,806	3,703,066	3,285,715	534,789	533,293	157,121	157,121	1,203,390	145,509	1,158,884	154,563	645,725	2,558	(2)
\$50,000 under \$100,000	50,350	3,253,733	2,773,937	785,232	711,627	81,748	81,748	1,342,435	77,886	1,099,787	80,637	732,264	1,109	(2)
\$100,000 under \$200,000	19,004	1,689,243	1,689,243	665,797	660,144	25,907	25,907	589,084	23,251	354,974	24,163	381,079	1,714	(2)
\$200,000 under \$500,000	4,975	1,121,065	1,121,065	558,561	555,145	9,516	9,516	422,576	8,569	324,393	9,083	192,511	433	6
\$500,000 or more	1,412	1,730,050	1,226,521	726,553	725,463	3,081	3,059	285,088	2,661	115,475	2,923	220,041	158	31
Taxable returns, total	323,883	14,773,782	12,871,500	3,685,498	3,516,875	599,947	599,526	5,344,220	473,835	4,776,220	503,142	2,784,091	6,805	39
No adjusted gross income	5,557	-200,829	—	—	33,269	23,463	23,461	216,462	18,424	190,047	23,393	82,901	70	2
Under \$10,000	6,245	4,115	39,740	1,286	1,531	6,351	6,351	32,681	6,346	48,353	6,351	15,572	—	—
\$10,000 under \$15,000	35,687	451,529	437,332	31,315	31,315	59,735	59,735	624,488	58,593	749,762	59,735	208,519	—	—
\$15,000 under \$20,000	51,786	802,180	775,209	103,212	75,143	75,143	75,143	324,002	67,308	353,041	75,143	128,322	—	—
\$20,000 under \$30,000	58,730	1,469,982	1,366,189	206,410	180,811	77,343	77,343	355,885	77,343	463,058	76,579	207,948	764	(2)
\$30,000 under \$50,000	82,527	3,537,432	3,139,561	605,614	533,293	148,244	148,244	1,158,148	136,653	1,092,228	145,701	616,976	2,558	(2)
\$50,000 under \$100,000	50,071	3,238,337	2,764,952	783,684	711,627	81,409	81,409	1,397,296	77,557	1,093,238	80,300	730,978	1,109	(2)
\$100,000 under \$200,000	15,839	2,125,609	1,699,200	665,788	660,144	25,613	25,613	587,712	23,911	353,238	23,943	380,414	1,714	(2)
\$200,000 under \$500,000	4,971	1,457,276	1,120,419	558,257	555,145	9,511	9,434	422,466	8,594	324,274	9,079	192,425	432	6
\$500,000 or more	1,410	1,727,890	1,226,899	725,555	725,463	3,076	3,054	285,079	2,656	115,464	2,918	220,035	158	31
All returns, total	144,893	5,722,276	5,015,781	1,400,375	1,472,258	156,346	151,510	15,009,557	146,547	10,223,917	150,469	5,697,261	5,877	(2)
No adjusted gross income	9,226	-619,359	—	—	27,304	11,229	11,229	1,316,231	10,794	862,796	11,229	543,048	3	(2)
Under \$10,000	14,947	81,559	55,641	1,259	1,172	11,229	11,229	784,758	14,663	427,034	14,663	323,942	540	(2)
\$10,000 under \$15,000	17,048	228,043	190,697	14,289	28,226	16,328	16,328	694,263	16,564	691,886	16,564	66,625	1,764	(2)
\$15,000 under \$20,000	8,060	147,339	125,244	19,105	19,221	8,070	8,070	246,619	8,070	162,155	8,070	109,504	—	(2)
\$20,000 under \$30,000	17,642	469,823	381,419	51,618	47,317	16,104	16,104	1,071,789	16,759	805,330	16,361	344,985	1,743	(2)
\$30,000 under \$50,000	42,713	1,560,291	1,266,056	226,735	214,712	44,762	44,762	3,354,550	44,728	2,395,428	44,762	1,192,319	570	(2)
\$50,000 under \$100,000	26,253	1,843,341	1,487,933	396,176	425,988	29,190	28,576	5,004,645	24,729	3,474,648	28,277	1,785,020	913	(2)
\$100,000 under \$200,000	6,557	874,878	663,005	258,050	267,173	7,650	7,650	1,281,785	7,344	723,043	7,650	626,544	306	(2)
\$200,000 under \$500,000	1,896	555,589	399,416	192,242	196,353	2,545	2,528	780,194	2,222	434,566	2,526	392,972	19	(2)
\$500,000 or more	551	583,772	426,369	240,901	243,792	695	682	514,721	633	256,930	676	312,202	19	(2)
Taxable returns, total	127,965	6,151,724	4,983,452	1,399,419	1,472,258	137,188	132,353	13,391,009	127,830	9,142,795	131,740	5,049,220	5,448	(2)
No adjusted gross income	1,544	-96,145	—	—	27,304	2,035	2,035	412,461	2,014	213,296	2,035	226,695	—	(2)
Under \$10,000	6,956	38,148	34,462	1,259	1,172	6,956	6,956	6,418	6,418	24,914	6,418	91,881	540	(2)
\$10,000 under \$15,000	17,048	228,043	190,697	14,289	28,226	18,328	18,328	694,263	16,564	691,886	16,564	66,625	1,764	(2)
\$15,000 under \$20,000	8,030	146,857	125,086	19,105	19,221	8,040	8,040	243,319	8,040	159,024	8,040	109,287	—	(2)
\$20,000 under \$30,000	17,188	458,139	385,531	51,182	47,317	17,200	17,200	1,071,789	15,880	642,140	15,882	285,496	1,318	(2)
\$30,000 under \$50,000	42,065	1,533,196	1,263,082	226,612	214,712	44,684	44,684	3,259,730	44,080	2,319,936	44,114	1,157,191	570	(2)
\$50,000 under \$100,000	26,140	1,836,213	1,487,933	396,089	425,988	29,077	28,464	5,001,355	24,617	3,471,779	28,165	1,784,315	912	(2)
\$100,000 under \$200,000	6,552	874,878	663,005	258,026	267,173	7,631	7,631	1,270,802	7,364	713,944	7,632	623,078	306	(2)
\$200,000 under \$500,000	1,891	554,127	398,747	191,947	196,353	2,540	2,523	759,756	2,218	434,443	2,521	392,649	19	(2)
\$500,000 or more	551	583,772	426,369	240,901	243,792	695	682	514,721	633	256,930	676	312,202	19	(2)

Footnotes at end of table.

Sales of Capital Assets on Individual Tax Returns, 1981

Returns With Net Capital Gain or Loss
Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income — Continued

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

Asset type and size of adjusted gross income	All capital asset transactions																					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		(8)		(9)		(10)		(11)		(12)		(13)		(14)	
	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	Number of transactions	Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	
All Other Livestock, Except Poultry, Including Certain Livestock Used in Trade or Business (Section 1231)																						
All returns, total	377,878	5,662,763	6,373,537	1,310,417	1,146,148	708,968	670,943	2,981,518	279,406	696,527	591,328	2,338,773	117,640	62,490								
No adjusted gross income	53,670	-	-	72	9,583	113,510	111,755	557,372	42,158	138,972	102,418	448,156	11,094	9,712								
Under \$10,000	111,437	1,319,060	487,766	13,088	187	219,401	209,618	438,556	78,602	98,272	162,873	262,241	20,123									
\$10,000 under \$15,000	52,288	641,751	600,552	41,322	23,392	92,022	89,018	181,079	40,989	42,239	73,669	150,143	7,859									
\$15,000 under \$20,000	52,017	899,464	891,958	95,006	69,881	70,801	69,018	164,987	23,787	18,645	61,489	109,312	3,482									
\$20,000 under \$30,000	45,915	1,110,633	1,044,729	142,589	107,702	86,927	86,925	177,119	34,445	26,076	64,705	236,460	5,223									
\$30,000 under \$50,000	45,959	1,749,136	1,646,331	317,583	265,265	75,257	68,064	973,704	27,305	300,327	64,572	692,645	4,085									
\$50,000 under \$100,000	11,306	757,854	697,834	198,043	175,434	42,087	36,485	100,501	26,407	21,017	35,592	87,488	5,684									
\$100,000 under \$200,000	3,944	523,392	437,589	174,005	167,565	5,538	4,939	89,218	2,832	15,755	3,815	76,066	1,871									
\$200,000 under \$500,000	1,069	322,095	257,844	131,140	129,856	2,513	2,173	128,141	1,308	17,301	1,712	114,077	1,677									
\$500,000 or more	363	487,647	328,835	197,579	197,769	1,942	846	30,842	565	15,923	545	21,541	2,805									
Taxable returns, total	177,967	5,790,280	5,386,377	1,257,471	1,146,148	340,414	320,809	1,883,786	149,704	469,916	278,493	1,479,523	26,088									
No adjusted gross income	2,254	-81,816	-	72	9,583	7,687	7,657	64,663	2,114	19,708	7,595	54,406	1,046									
Under \$10,000	2,566	23,889	23,881	1,143	187	10,528	10,528	9,689	4,777	1,990	10,527	7,711	(2)									
\$10,000 under \$15,000	30,252	326,958	365,654	29,131	23,392	57,218	52,786	137,253	26,874	33,649	46,481	109,240	3,271									
\$15,000 under \$20,000	45,174	781,270	741,234	81,488	69,395	61,079	61,079	108,877	23,580	18,202	94,111	9,122	4,435									
\$20,000 under \$30,000	37,116	887,213	883,565	129,095	107,702	78,128	78,128	394,443	26,069	31,815	55,908	235,954	5,216									
\$30,000 under \$50,000	45,763	1,641,923	1,641,923	316,912	265,265	75,031	67,868	968,038	27,305	300,327	64,376	678,979	4,085									
\$50,000 under \$100,000	11,298	757,298	697,418	175,434	167,565	42,073	36,483	100,493	26,406	21,016	35,560	87,486	5,683									
\$100,000 under \$200,000	3,783	523,551	427,546	173,996	167,565	5,532	4,937	89,178	2,832	15,625	3,813	76,025	1,867									
\$200,000 under \$500,000	1,069	322,068	257,844	131,140	129,856	2,513	2,173	128,141	1,308	17,301	1,712	114,077	1,677									
\$500,000 or more	362	456,024	327,212	196,582	197,769	1,941	845	30,839	565	15,923	544	21,539	2,805									
All returns, total	14,639	412,671	429,353	124,372	126,572	16,356	16,354	478,918	14,364	71,844	18,208	424,398	148									
No adjusted gross income	719	-88,654	-	-	1,786	1,058	1,058	21,097	926	7,436	914	18,533	(2)									
Under \$10,000	4,937	47,136	47,098	1,535	878	4,939	4,939	11,625	4,899	7,616	4,839	11,598	(2)									
\$10,000 under \$15,000	1,281	14,352	14,343	1,198	1,160	1,277	1,277	587	66	1,277	1,277	587	(2)									
\$15,000 under \$20,000	478	8,481	8,481	855	928	478	478	6,614	478	4,732	478	1,949	(2)									
\$20,000 under \$30,000	6,002	170,559	163,759	25,196	26,333	6,002	6,002	383,180	5,474	28,523	6,002	353,657	(2)									
\$30,000 under \$50,000	85	3,123	2,005	488	461	89	89	852	8	98	89	783	(2)									
\$50,000 under \$100,000	88	7,713	6,824	2,352	2,066	160	160	701	75	148	160	1,559	(2)									
\$100,000 under \$200,000	893	115,390	90,691	36,275	34,197	1,375	1,373	28,123	119	15,323	1,373	15,382	(2)									
\$200,000 under \$500,000	124	35,342	26,620	14,538	14,538	688	688	12,072	109	4,426	698	9,372	(2)									
\$500,000 or more	72	109,228	69,532	42,780	44,227	280	280	15,768	109	2,477	278	12,978	(2)									
Taxable returns, total	13,501	469,672	424,972	124,186	126,572	14,903	14,901	451,329	12,986	53,727	14,899	411,645	4									
No adjusted gross income	68	-11,389	-	-	1,786	84	84	7,931	47	1,429	94	7,129	(2)									
Under \$10,000	4,935	47,130	47,098	1,535	878	4,935	4,935	11,613	4,895	7,613	4,839	11,578	(2)									
\$10,000 under \$15,000	1,261	14,352	14,343	1,198	1,160	1,277	1,277	587	66	1,277	1,277	587	(2)									
\$15,000 under \$20,000	478	8,481	8,481	855	928	478	478	6,614	478	4,732	478	1,949	(2)									
\$20,000 under \$30,000	5,518	159,378	159,378	25,010	26,333	5,518	5,518	387,850	4,980	17,465	5,518	350,365	(2)									
\$30,000 under \$50,000	85	3,123	2,005	488	461	89	89	852	8	98	89	783	(2)									
\$50,000 under \$100,000	88	7,713	6,824	2,352	2,066	160	160	701	75	148	160	1,559	(2)									
\$100,000 under \$200,000	893	115,390	90,691	36,275	34,197	1,375	1,373	28,423	118	15,323	1,373	15,382	(2)									
\$200,000 under \$500,000	123	35,068	26,620	13,614	14,538	687	687	12,010	118	4,376	697	9,324	(2)									
\$500,000 or more	72	109,228	69,532	42,780	44,227	280	280	13,768	109	2,477	278	12,978	(2)									

Footnotes at end of table.

Returns With Net Capital Gain or Loss
 Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income — Continued
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	All capital asset transactions													
	Number of returns (1)	Adjusted gross income less deficit (2)	Taxable income (3)	Income tax before credits (4)	Total income tax (5)	Number of transactions (6)	Gross sales price (7)		Cost or other basis and expense of sale (8)		Gross gain (11)		Gross loss (12)	
							Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount
Cut Timber (Section 1231)														
All returns, total	976	128,169	97,172	49,185	51,015	1,045	43,586	247	5,739	1,004	38,653	41	347	
No adjusted gross income														
Under \$10,000	66	-19,434			289	83	9,535	86	5,248	52	5,093	41	347	
\$10,000 under \$15,000					54									
\$15,000 under \$20,000														
\$20,000 under \$30,000														
\$30,000 under \$50,000	119	3,398				119				119				
\$50,000 under \$100,000	514	16,553	16,553	3,076	3,038	514	45	136	136	514	45			
\$100,000 under \$200,000	57	4,151	3,012	863	720	57	375			57	375			
\$200,000 under \$500,000	79	12,564	9,018	3,872	3,588	79	2,239			79	2,239			
\$500,000 or more	101	36,883	29,737	17,807	16,729	101	4,073	31	46	101	4,026			
Taxable returns, total	796	141,030	97,172	49,185	51,015	848	35,568	56	545	848	35,023			
No adjusted gross income														
Under \$10,000	5	-3,199			289	13	1,809	12	190	13	1,619			
\$10,000 under \$15,000					54									
\$15,000 under \$20,000														
\$20,000 under \$30,000														
\$30,000 under \$50,000	516	16,567	16,553	3,076	3,038	516	45			516	45			
\$50,000 under \$100,000	57	4,151	3,012	863	720	57	375			57	375			
\$100,000 under \$200,000	79	12,564	9,018	3,872	3,588	79	2,239			79	2,239			
\$200,000 under \$500,000	101	36,883	29,737	17,807	16,729	101	4,073	31	46	101	4,026			
\$500,000 or more	40	74,064	58,852	23,567	26,597	82	26,974	13	309	82	26,665			
All returns, total	63,050	2,075,075	1,886,316	544,067	534,978	67,373	690,289	27,875	100,652	66,520	591,579	853	1,932	
No adjusted gross income														
Under \$10,000	2,937	-148,154			796	3,318	47,191	135	6,845	3,302	40,346	16		
\$10,000 under \$15,000	15,458	103,586	102,305	2,484	2,035	15,458	40,121	7,556	10,385	15,458	29,735			
\$15,000 under \$20,000	8,625	87,260	87,634	12,277	12,099	8,625	39,001	6,383	23,310	8,625	15,691			
\$20,000 under \$30,000	6,820	121,851	121,851	14,314	11,003	6,820	16,856	7,738		6,820	16,856			
\$30,000 under \$50,000	14,812	373,140	354,350	54,225	52,877	14,812	217,479	9,690	35,369	14,812	182,109			
\$50,000 under \$100,000	6,017	216,416	180,492	36,450	34,215	6,017	51,978	921	5,215	6,017	46,763			
\$100,000 under \$200,000	7,774	552,573	477,171	143,967	138,666	8,088	120,838	225	222	8,088	120,619			
\$200,000 under \$500,000	1,767	239,249	188,446	75,739	76,653	3,409	124,854	2,696	15,652	3,412	110,715			
\$500,000 or more	1,100	332,809	244,727	126,915	129,531	1,570	25,911	787	1,921	1,457	24,094			
Taxable returns, total	58,778	2,207,638	1,876,985	543,893	534,978	62,751	643,095	27,870	97,000	61,915	547,995	836	1,929	
No adjusted gross income														
Under \$10,000	10	-4,677			796	42	7,020	22	3,260	42	3,760			
\$10,000 under \$15,000	14,169	93,472	93,466	2,345	2,035	14,169	33,244	7,556	10,385	14,169	22,859			
\$15,000 under \$20,000	6,383	90,747	87,322	12,269	12,099	6,383	38,694	6,383	23,310	6,383	15,574			
\$20,000 under \$30,000	6,820	122,400	121,851	14,314	11,003	7,738	16,856	7,738		7,738	16,856			
\$30,000 under \$50,000	14,812	373,140	354,350	54,225	52,877	14,812	217,479	9,690	35,369	14,812	182,109			
\$50,000 under \$100,000	6,004	215,985	180,331	36,435	34,215	6,006	51,976	321	5,215	6,006	46,761			
\$100,000 under \$200,000	7,773	552,467	477,163	143,967	138,666	8,086	120,802	223	184	8,086	120,618			
\$200,000 under \$500,000	1,767	239,249	188,446	75,739	76,653	3,409	124,854	2,696	15,952	3,412	110,715			
\$500,000 or more	1,100	332,809	244,727	126,915	129,531	1,570	25,911	787	1,921	1,457	24,094			

Footnotes at end of table.

Sales of Capital Assets on Individual Tax Returns, 1981

Returns With Net Capital Gain or Loss
Table 1.—All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income — Continued

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

Asset type and size of adjusted gross income	All capital asset transactions													
	Number of returns (1)	Adjusted gross income less deficit (2)	Taxable income (3)	Income tax before credits (4)	Total income tax (5)	Number of transactions (6)	Gross sales price (8)		Cost or other basis and expense of sale (9)		Gross gain (12)		Gross loss (14)	
							Number of transactions (7)	Amount (8)	Number of transactions (9)	Amount (10)	Number of transactions (11)	Amount (12)	Number of transactions (13)	Amount (14)
Other Farm Land With Unharvested Crop (Section 1251)														
All returns, total	5,414	76,827	148,497	55,911	75,237	5,672	5,625	619,157	4,183	184,447	5,390	469,120	312	16,990
No. adjusted gross income	2,747	-101,767	-	-	14,013	2,810	2,808	453,329	2,805	158,413	2,604	328,540	206	16,606
Under \$10,000	1,128	781	781	-	-	1,128	1,128	226	-	-	1,128	226	-	-
\$10,000 under \$20,000	8	123	-	-	29	8	8	558	8	486	8	37	-	-
\$20,000 under \$30,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$30,000 under \$50,000	931	54,981	51,965	13,991	16,695	931	931	101,932	931	15,634	931	92,922	-	-
\$50,000 under \$100,000	459	60,946	46,088	16,222	19,779	608	608	38,244	285	9,346	566	29,391	52	(2)
\$100,000 under \$200,000	108	32,942	27,019	12,678	11,880	144	144	13,460	137	5,650	101	8,659	43	186
\$200,000 under \$500,000	33	28,622	22,645	13,019	12,742	43	38	13,409	37	4,917	32	9,344	11	186
\$500,000 or more	3,602	150,274	147,716	55,911	75,237	3,807	3,762	515,797	3,451	126,910	3,695	413,152	112	466
Taxable returns, total	2,063	-27,340	-	-	14,013	2,073	2,073	350,193	2,073	90,977	2,067	272,798	6	84
No. adjusted gross income	8	123	-	-	29	8	8	558	8	486	8	37	-	-
Under \$10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$10,000 under \$20,000	921	54,981	51,965	13,991	16,695	931	931	101,932	931	15,634	931	92,922	-	-
\$20,000 under \$30,000	469	60,946	46,088	16,222	19,779	608	608	38,244	265	9,346	556	29,391	52	(2)
\$30,000 under \$50,000	108	32,942	27,019	12,678	11,880	144	104	13,460	137	5,650	101	8,659	43	186
\$50,000 or more	33	28,622	22,645	13,019	12,742	43	38	13,409	37	4,917	32	9,344	11	186
Qualified Gains on Farm Land With Unharvested Crop (Section 1251)														
All returns, total	456	88,372	58,126	31,456	31,573	515	471	32,729	151	4,391	471	28,748	44	(2)
No. adjusted gross income	78	-14,824	-	-	194	88	46	1,247	41	1,030	48	407	40	(2)
Under \$10,000	24	374	374	24	-	48	48	185	48	113	48	85	-	-
\$10,000 under \$15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$15,000 under \$20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$20,000 under \$30,000	276	31,665	15,455	6,168	6,233	276	276	3,742	3	233	278	3,517	-	-
\$30,000 under \$50,000	58	23,325	11,948	7,069	7,388	61	61	9,972	24	1,335	61	8,661	4	(2)
\$50,000 under \$100,000	20	47,832	30,349	18,194	17,748	42	38	17,583	35	1,679	38	16,078	4	(2)
\$100,000 or more	358	98,617	57,752	31,432	31,573	391	387	31,604	69	3,424	387	28,559	4	(2)
Taxable returns, total	4	-4,205	-	-	194	12	12	307	7	176	12	303	-	-
No. adjusted gross income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Under \$10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$10,000 under \$15,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$15,000 under \$20,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-
\$20,000 under \$30,000	276	31,665	15,455	6,168	6,233	276	276	3,742	3	233	278	3,517	-	-
\$30,000 under \$50,000	58	23,325	11,948	7,069	7,388	61	61	9,972	24	1,335	61	8,661	4	(2)
\$50,000 under \$100,000	20	47,832	30,349	18,194	17,748	42	38	17,583	35	1,679	38	16,078	4	(2)
\$100,000 or more	358	98,617	57,752	31,432	31,573	391	387	31,604	69	3,424	387	28,559	4	(2)

Footnotes at end of table.

Returns With Net Capital Gain or Loss

Table 1. — All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income — Continued

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

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	All capital asset transactions							
							Gross sales price		Cost or other basis and expense of sale		Gross gain		Gross loss	
							Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions ¹	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
All Other Farm Land (Section 1252)														
All returns, total	6,184	156,842	*155,556	30,547	30,524	6,210	6,210	632,478	6,173	365,206	6,174	308,781	*36	(2)
No adjusted gross income	*232	- 13,627	—	—	*998	*234	*234	*111,824	*232	*37,494	*234	*72,991	—	—
Under \$10,000 .....	..	..	*15	..	..	..	..	..	..	..	..	..	..	..
\$10,000 under \$15,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$15,000 under \$20,000	**4,579	**85,302	*85,283	*13,296	*13,131	**4,579	**4,579	**338,759	**4,579	**256,723	**4,579	**114,121	—	—
\$20,000 under \$30,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$30,000 under \$50,000	*1,241	*55,995	*52,115	*8,519	*8,414	*1,241	*1,241	*155,125	*1,241	*55,479	*1,241	*109,999	—	—
\$50,000 under \$100,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$100,000 under \$200,000	*36	*4,231	*3,482	*1,400	*1,311	*36	*36	*8,064	*36	*8,472	—	—	*36	(2)
\$200,000 under \$500,000	*93	*21,351	*11,126	*4,949	*4,322	*108	*108	*7,675	*73	*5,181	*108	*2,385	—	—
\$500,000 or more	*3	*3,589	*3,535	*2,382	*2,348	*12	*12	*11,031	*12	*1,857	*12	*9,285	—	—
Taxable returns, total	6,173	168,379	*155,556	30,547	30,524	6,197	6,197	628,280	6,162	362,713	6,161	307,025	*36	(2)
No adjusted gross income	*221	- 2,089	—	—	*998	*221	*221	*107,625	*221	*35,001	*221	*71,235	—	—
Under \$10,000 .....	..	*19	*15	..	..	..	..	..	..	..	..	..	..	..
\$10,000 under \$15,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$15,000 under \$20,000	**4,579	*85,283	*85,283	*13,296	*13,131	**4,579	**4,579	*338,759	*4,579	**256,723	**4,579	**114,121	—	—
\$20,000 under \$30,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$30,000 under \$50,000	*1,241	*55,995	*52,115	*8,519	*8,414	*1,241	*1,241	*155,125	*1,241	*55,479	*1,241	*109,999	—	—
\$50,000 under \$100,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$100,000 under \$200,000	*36	*4,231	*3,482	*1,400	*1,311	*36	*36	*8,064	*36	*8,472	—	—	*36	(2)
\$200,000 under \$500,000	*93	*21,351	*11,126	*4,949	*4,322	*108	*108	*7,675	*73	*5,181	*108	*2,385	—	—
\$500,000 or more	*3	*3,589	*3,535	*2,382	*2,348	*12	*12	*11,031	*12	*1,857	*12	*9,285	—	—
Oil and Gas Properties (Section 1254)														
All returns, total	1,284	378,382	309,528	162,205	148,444	2,369	2,369	298,986	1,078	32,508	2,369	272,230	—	—
No adjusted gross income	45	- 53,789	—	*8	772	94	94	25,234	73	8,077	94	18,361	—	—
Under \$10,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$10,000 under \$15,000	*125	*1,559	*1,057	*36	*313	*125	*125	*17,372	—	—	*125	*17,372	—	—
\$15,000 under \$20,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$30,000	*77	*2,084	*321	*40	*565	*93	*93	*2,210	*8	*34	*93	*2,187	—	—
\$30,000 under \$50,000	*82	*3,704	*1,787	*272	*1,250	*139	*139	*1,977	..	*25	*139	*1,955	—	—
\$50,000 under \$100,000	*101	*5,079	*4,329	*890	*951	*101	*101	*1,256	*101	*822	*101	*1,225	—	—
\$100,000 under \$200,000	*420	*61,566	*50,306	*21,351	*20,760	*1,018	*1,018	*33,632	*301	*4,032	*1,018	*30,245	—	—
\$200,000 under \$500,000	296	91,422	58,338	27,598	30,088	548	548	33,121	417	4,358	548	29,730	—	—
\$500,000 or more	138	266,758	193,390	112,011	93,746	251	251	184,184	178	15,161	251	171,155	—	—
Taxable returns, total	1,261	424,613	309,206	162,015	148,444	2,317	2,317	282,576	1,039	25,782	2,317	261,851	—	—
No adjusted gross income	23	- 7,201	—	*8	772	43	43	8,827	35	1,352	43	7,985	—	—
Under \$10,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$10,000 under \$15,000	*125	*1,559	*1,057	*36	*313	*125	*125	*17,372	—	—	*125	*17,372	—	—
\$15,000 under \$20,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$30,000	*77	*2,084	*321	*40	*565	*93	*93	*2,210	*8	*34	*93	*2,187	—	—
\$30,000 under \$50,000	*82	*3,704	*1,787	*272	*1,250	*139	*139	*1,977	..	*25	*139	*1,955	—	—
\$50,000 under \$100,000	*101	*5,079	*4,329	*890	*951	*101	*101	*1,256	*101	*822	*101	*1,225	—	—
\$100,000 under \$200,000	*420	*61,566	*50,306	*21,351	*20,760	*1,018	*1,018	*33,632	*301	*4,032	*1,018	*30,245	—	—
\$200,000 under \$500,000	295	91,065	58,016	27,407	30,088	547	547	33,118	416	4,357	547	29,726	—	—
\$500,000 or more	138	266,758	193,390	112,011	93,746	251	251	184,184	178	15,161	251	171,155	—	—

Footnotes at end of table.

Sales of Capital Assets on Individual Tax Returns, 1981

Sales of Capital Assets on Individual Tax Returns, 1981

Returns With Net Capital Gain or Loss
 Table 1.— All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income — Continued
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income plus deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	Gross sales price		Cost or other basis and expense of sale		Gross gain		Gross loss	
							Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount
Personal Residences														
All returns, total	1,009,772	34,317,739	27,848,055	6,034,233	5,842,853	1,040,256	1,092,701	82,165,183	1,091,487	50,982,199	31,112,603	9,902	1,619	
No adjusted gross income	6,943	-400,362	-	*387	5,685	6,951	6,950	6,909	6,993	445,414	6,950	**	**	
Under \$10,000	99,499	562,493	474,211	11,112	11,702	100,766	100,766	5,100,004	100,766	3,604,362	205,918	**	**	
\$10,000 under \$15,000	74,753	933,276	739,700	63,903	64,753	74,753	69,550	6,997,844	69,550	2,389,328	89,520	5,203	(2)	
\$15,000 under \$20,000	117,337	2,081,055	1,672,351	188,061	181,916	123,683	123,683	5,087,840	123,683	3,153,283	1,819	**	**	
\$20,000 under \$30,000	232,494	7,844,400	6,446,704	678,961	646,704	239,150	239,150	15,125,271	239,150	10,320,085	236,904	**2,346	**1,619	
\$30,000 under \$50,000	327,894	12,681,552	10,200,577	1,913,642	1,844,241	339,449	339,168	28,874,106	339,168	17,762,553	329,168	281	(2)	
\$50,000 under \$100,000	123,112	7,939,286	6,181,340	1,625,536	1,568,046	127,053	125,001	13,869,823	125,001	6,307,679	125,001	2,052	(2)	
\$100,000 under \$200,000	22,884	2,975,294	2,271,982	853,092	833,092	23,493	23,493	4,169,601	23,493	2,316,436	23,493	16	(2)	
\$200,000 under \$500,000	4,207	1,171,668	905,656	425,597	429,283	4,289	4,283	1,260,476	4,283	643,981	4,283	4	(2)	
\$500,000 or more	669	628,963	481,588	269,621	267,429	669	667	279,568	661	133,554	665	4	(2)	
Taxable returns, total	897,779	33,935,301	27,326,069	6,014,191	5,842,853	926,714	919,159	73,845,741	917,946	44,943,715	28,926,764	9,902	1,619	
No adjusted gross income	489	-40,685	-	*387	5,685	495	494	58,959	438	24,678	34,338	**	**	
Under \$10,000	31,046	213,970	202,747	8,734	11,702	32,282	32,282	1,319,169	32,282	668,281	443,641	**	**	
\$10,000 under \$15,000	57,968	720,764	630,635	56,593	54,753	57,968	57,968	3,662,208	57,968	1,731,795	1,836,580	5,203	(2)	
\$15,000 under \$20,000	10,733	1,836,478	1,634,953	167,478	161,916	117,079	117,079	7,793,168	117,079	4,720,901	2,884,875	**2,346	**1,619	
\$20,000 under \$30,000	226,121	5,632,744	4,856,961	670,195	646,704	232,777	232,777	14,350,449	231,628	9,811,123	230,431	**2,346	**1,619	
\$30,000 under \$50,000	320,689	12,192,379	10,182,368	1,913,140	1,844,241	330,447	330,447	27,325,957	330,447	16,427,574	329,447	281	(2)	
\$50,000 under \$100,000	122,989	7,932,133	6,180,105	1,625,479	1,568,046	126,940	124,888	13,869,823	124,888	6,294,893	124,888	2,052	(2)	
\$100,000 under \$200,000	22,864	2,975,294	2,271,982	853,092	833,092	23,493	23,493	4,169,601	23,493	2,316,436	23,493	16	(2)	
\$200,000 under \$500,000	4,201	1,170,322	904,750	425,185	429,283	4,263	4,247	1,259,487	4,247	612,489	4,247	4	(2)	
\$500,000 or more	669	628,963	481,588	269,621	267,429	669	667	279,568	661	133,554	665	4	(2)	
Nonbusiness Real Property, Except Personal Residences														
All returns, total	725,029	27,643,940	23,927,352	6,777,040	6,784,697	855,934	804,538	36,952,756	773,970	20,926,332	18,476,517	127,960	280,762	
No adjusted gross income	30,956	-1,662,001	-	*27	38,632	44,397	42,989	3,714,002	40,121	2,167,900	38,402	7,995	23,982	
Under \$10,000	81,129	435,873	355,579	9,563	9,563	68,874	68,874	1,563,385	62,932	1,080,005	80,669	**2,052	**28,416	
\$10,000 under \$15,000	77,649	942,549	847,148	68,549	77,627	80,023	79,798	2,011,938	71,647	1,106,439	70,750	**2,052	**28,416	
\$15,000 under \$20,000	70,131	1,250,293	1,089,657	123,330	131,464	81,118	79,682	1,668,906	78,073	1,046,046	75,364	**2,052	**28,416	
\$20,000 under \$30,000	163,176	3,261,056	2,674,828	442,652	428,978	149,228	136,064	3,662,574	135,234	2,503,142	121,726	**2,052	**28,416	
\$30,000 under \$50,000	174,415	6,676,392	5,666,824	1,214,399	1,187,259	212,605	190,723	8,441,762	180,856	4,249,913	162,040	50,565	56,439	
\$50,000 under \$100,000	115,944	7,605,324	6,202,784	1,754,614	1,723,164	142,872	137,845	10,009,063	133,434	5,826,095	128,685	14,187	72,158	
\$100,000 under \$200,000	30,329	3,923,537	3,000,496	1,176,961	1,175,727	41,763	39,828	4,389,837	38,210	1,833,228	38,300	3,483	24,559	
\$200,000 under \$500,000	9,209	2,614,428	1,973,543	880,972	994,870	12,015	11,615	2,112,029	10,655	808,670	10,786	1,229	9,040	
\$500,000 or more	2,091	2,396,488	1,716,491	1,005,934	1,017,418	3,019	2,940	1,061,821	2,708	374,905	2,692	327	3,373	
Taxable returns, total	636,265	26,610,902	23,637,146	6,768,652	6,784,697	749,348	701,918	34,526,301	681,237	18,094,126	16,902,444	111,941	231,505	
No adjusted gross income	1,871	-165,232	-	*27	38,632	2,548	2,487	663,545	2,284	216,553	2,489	79	1,469	
Under \$10,000	33,916	186,624	182,522	8,150	9,557	39,503	39,503	816,001	39,503	489,472	34,674	*4,629	*6,684	
\$10,000 under \$15,000	73,024	885,748	820,241	68,308	77,627	74,935	68,710	1,865,148	66,559	1,021,174	66,483	*4,629	*6,684	
\$15,000 under \$20,000	66,900	1,190,807	1,052,251	121,012	131,464	77,887	76,451	1,577,954	74,842	969,025	73,482	*4,629	*6,684	
\$20,000 under \$30,000	131,117	3,214,425	2,652,569	441,105	428,978	146,172	133,125	3,631,488	133,398	2,328,783	118,787	27,385	40,887	
\$30,000 under \$50,000	172,706	6,821,005	5,649,609	1,213,483	1,187,259	209,589	190,179	8,428,824	180,593	4,239,189	161,989	47,900	56,225	
\$50,000 under \$100,000	115,160	7,594,404	6,191,570	1,753,533	1,723,164	142,088	137,161	9,896,814	132,850	5,816,700	128,036	14,092	71,578	
\$100,000 under \$200,000	30,263	3,916,129	2,989,565	1,176,650	1,175,727	41,609	39,754	4,374,036	38,062	1,826,760	38,126	2,565,064	3,483	
\$200,000 under \$500,000	9,185	2,610,485	1,972,328	960,470	994,870	11,898	11,596	2,109,772	10,638	807,545	10,769	1,229	9,040	
\$500,000 or more	2,091	2,396,488	1,716,491	1,005,934	1,017,418	3,019	2,940	1,061,821	2,708	374,905	2,692	327	3,373	

Footnotes at end of table.

Returns With Net Capital Gain or Loss

Table 1.— All Transactions: Income, Tax, and Transaction Detail, by Asset Type and Size of Adjusted Gross Income — Continued

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

Asset type and size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Taxable income	Income tax before credits	Total income tax	Number of transactions	All capital asset transactions							
							Gross sales price		Cost or other basis and expense of sale		Gross gain		Gross loss	
							Number of transactions	Amount	Number of transactions	Amount	Number of transactions	Amount	Number of transactions ¹	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
Prior-Year Installment Sales														
All returns, total	1,421,364	52,355,566	44,418,111	12,402,253	12,264,561	2,140,182	1,029,976	83,764,465	929,301	29,635,920	2,029,670	9,913,982	110,512	357
No adjusted gross income	28,691	- 1,786,382	—	*124	42,595	46,703	20,364	3,884,057	18,313	1,217,309	43,738	603,978	2,965	30
Under \$10,000	238,824	1,570,186	1,413,773	45,306	42,241	322,229	150,925	4,815,244	142,686	2,065,666	308,194	470,006	14,035	(2)
\$10,000 under \$15,000	164,954	2,022,427	1,757,803	146,266	150,825	221,866	93,640	4,851,931	93,240	2,035,674	212,840	447,720	9,026	(2)
\$15,000 under \$20,000	151,580	2,664,935	2,369,837	263,553	255,629	192,938	81,123	5,191,501	68,599	3,037,532	171,726	489,028	21,212	(2)
\$20,000 under \$30,000	244,944	6,046,961	5,173,057	737,411	688,818	357,547	194,511	10,535,951	181,441	3,790,636	346,289	875,894	11,258	—
\$30,000 under \$50,000	311,484	11,761,373	10,188,723	2,091,237	2,030,598	477,064	205,691	15,756,928	159,193	5,784,339	451,815	1,171,347	25,249	—
\$50,000 under \$100,000	201,749	13,183,429	10,899,519	3,089,477	3,018,943	367,927	196,956	19,907,099	185,607	7,227,842	350,911	1,987,699	17,016	—
\$100,000 under \$200,000	56,563	7,503,445	5,745,726	2,314,514	2,301,177	109,105	59,339	8,840,099	54,521	2,200,581	103,114	1,480,191	5,991	327
\$200,000 under \$500,000	18,973	5,380,351	4,075,754	2,056,055	2,057,581	37,058	22,427	6,223,269	21,052	1,623,322	33,911	1,173,523	3,147	—
\$500,000 or more	3,602	4,008,841	2,793,919	1,658,311	1,676,153	7,745	5,000	3,758,387	4,649	653,018	7,132	1,214,325	613	—
Taxable returns, total	1,244,457	52,392,418	43,637,321	12,370,860	12,264,561	1,891,030	933,621	77,271,431	835,579	26,748,550	1,791,441	9,220,249	99,589	327
No adjusted gross income	3,023	- 274,057	—	*124	42,595	6,630	3,974	1,758,279	3,774	405,719	6,197	339,103	433	—
Under \$10,000	132,929	1,026,362	965,778	43,132	42,241	169,159	92,504	3,051,258	84,977	1,110,200	162,477	214,238	6,682	(2)
\$10,000 under \$15,000	142,264	1,745,387	1,679,534	145,741	150,825	196,040	77,394	3,496,596	77,394	1,462,066	187,887	373,250	8,153	(2)
\$15,000 under \$20,000	147,267	2,581,716	2,318,257	258,225	255,629	187,278	81,109	5,190,143	68,587	3,036,433	166,066	481,352	21,212	(2)
\$20,000 under \$30,000	232,249	5,747,793	5,027,887	723,619	688,818	341,650	193,192	10,407,535	180,122	3,728,091	330,394	839,501	11,256	—
\$30,000 under \$50,000	307,084	11,586,512	10,157,665	2,085,992	2,030,598	472,601	202,302	14,995,182	155,804	5,406,008	447,385	1,158,301	25,216	—
\$50,000 under \$100,000	200,601	13,102,531	10,876,727	3,086,495	3,018,943	364,517	196,431	19,748,442	185,082	7,168,355	347,604	1,978,347	16,913	—
\$100,000 under \$200,000	56,475	7,490,954	5,744,010	2,314,181	2,301,177	108,367	58,965	8,658,123	54,147	2,156,653	102,403	1,449,464	5,964	327
\$200,000 under \$500,000	18,965	5,377,924	4,075,088	2,055,792	2,057,581	37,045	22,416	6,207,487	21,043	1,622,008	33,898	1,172,370	3,147	—
\$500,000 or more	3,600	4,007,296	2,792,375	1,657,561	1,676,153	7,743	5,000	3,758,387	4,649	653,018	7,130	1,214,320	613	—
Other Types of Assets														
All returns, total	1,449,447	66,317,263	55,349,877	17,189,380	16,884,350	3,878,639	2,886,792	27,531,670	3,042,731	22,804,081	1,877,811	11,409,423	2,000,828	6,367,585
No adjusted gross income	57,384	- 2,995,776	—	*640	61,459	125,490	104,797	2,316,405	88,004	1,715,862	81,050	1,128,830	44,440	442,490
Under \$10,000	182,589	1,018,363	881,311	33,235	36,837	258,388	173,489	937,029	210,759	855,348	111,689	423,426	146,699	269,244
\$10,000 under \$15,000	128,908	1,632,170	1,451,772	119,734	116,996	335,217	275,348	1,572,187	271,620	1,105,052	182,815	744,369	152,402	187,370
\$15,000 under \$20,000	109,194	1,891,559	1,692,545	198,112	191,380	214,235	159,433	900,548	161,501	985,820	114,974	343,649	99,261	465,236
\$20,000 under \$30,000	207,483	5,191,765	4,482,984	722,908	696,665	488,516	369,713	1,683,698	367,020	1,239,882	239,252	892,656	249,264	454,225
\$30,000 under \$50,000	360,844	14,231,933	12,087,933	2,455,030	2,338,463	842,165	534,754	3,490,407	688,280	2,865,550	345,117	1,656,581	497,048	852,089
\$50,000 under \$100,000	292,095	19,392,917	15,769,123	4,540,420	4,384,591	1,121,932	867,379	6,018,044	889,844	4,801,154	530,286	2,244,649	591,646	1,139,811
\$100,000 under \$200,000	76,266	10,157,645	7,694,317	3,065,237	3,011,743	347,260	280,051	3,775,992	252,815	4,376,687	191,870	1,236,629	155,390	1,798,287
\$200,000 under \$500,000	28,012	8,055,248	5,866,127	2,891,727	2,896,220	108,459	90,434	3,056,834	84,039	2,152,383	60,642	1,262,306	47,817	354,662
\$500,000 or more	6,672	7,741,438	5,403,765	3,162,337	3,149,994	36,977	31,394	3,780,527	28,849	2,707,144	20,116	1,476,327	16,861	404,171
Taxable returns, total	1,271,624	67,625,489	54,717,894	17,143,774	16,884,350	3,561,776	2,639,887	24,874,571	2,809,924	20,655,428	1,683,669	10,144,490	1,878,107	5,787,740
No adjusted gross income	6,001	- 435,098	—	*640	61,459	15,673	12,171	811,240	12,546	503,152	8,783	426,348	6,890	101,123
Under \$10,000	84,789	583,477	579,279	31,315	36,837	117,172	71,910	261,704	97,657	319,382	32,493	112,684	84,679	153,473
\$10,000 under \$15,000	118,285	1,498,322	1,379,205	118,677	116,996	323,163	264,233	1,290,666	266,191	965,043	173,548	546,134	149,615	185,251
\$15,000 under \$20,000	107,027	1,853,923	1,664,062	195,669	191,380	211,950	157,471	889,013	160,378	979,014	113,820	335,747	98,130	462,152
\$20,000 under \$30,000	204,816	5,130,518	4,463,795	721,816	696,665	481,344	365,691	1,646,391	361,915	1,190,886	236,980	887,388	244,364	434,915
\$30,000 under \$50,000	350,779	13,867,654	11,990,570	2,439,132	2,338,463	825,018	522,083	3,459,898	675,043	2,808,036	333,257	1,636,024	491,761	807,283
\$50,000 under \$100,000	289,313	19,222,709	15,664,353	4,519,885	4,384,591	1,095,189	844,565	5,941,223	870,893	4,705,403	512,222	2,224,941	582,967	1,101,180
\$100,000 under \$200,000	75,970	10,122,920	7,691,938	3,065,227	3,011,743	346,930	280,005	3,774,740	252,842	4,364,076	191,841	1,236,153	155,089	1,786,462
\$200,000 under \$500,000	27,980	8,045,730	5,883,855	2,890,719	2,896,220	108,384	90,382	3,026,911	83,977	2,121,153	60,619	1,260,770	47,765	351,879
\$500,000 or more	6,664	7,735,334	5,400,837	3,160,695	3,149,994	36,953	31,376	3,772,785	28,832	2,699,282	20,106	1,476,300	16,847	404,023

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

¹Identifies (a) size classes for which data were deleted because of the small number of sample returns on which they were based and (b) combined frequencies or amounts that include the data thus deleted from another size class.

²Frequency counts for breakeven transactions or transactions showing ordinary gain and no capital gain or loss have been tabulated with the losses.

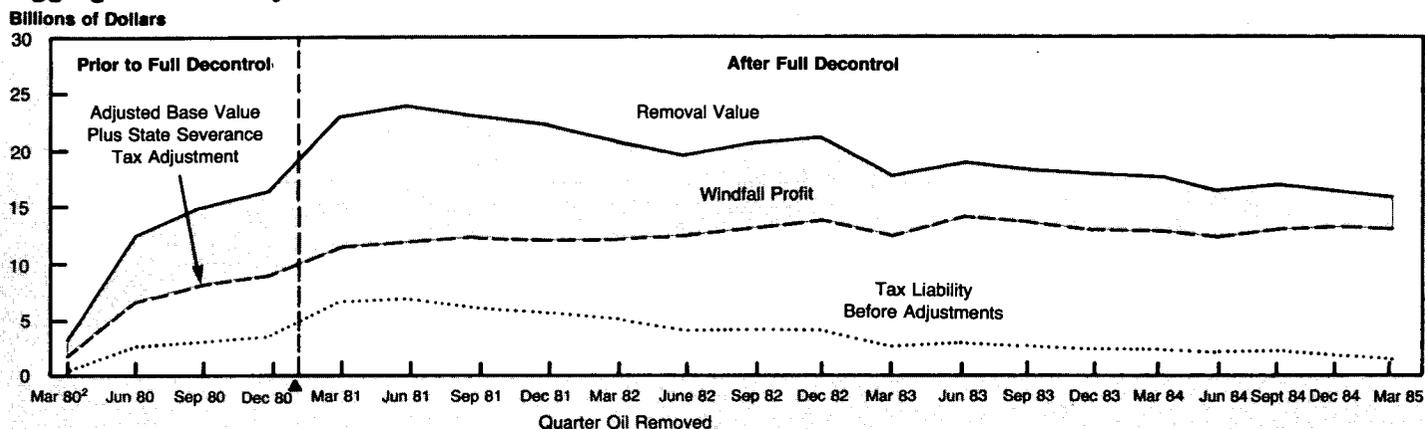
³Less than \$500.

NOTE: Due to reporting of more than one asset type on most returns, the data in columns 1 through 6 for "All returns" will be less than the sum of these items for the specific asset types. The estimates of number of transactions with net loss for prior-year installment sales include breakeven transactions, those transactions which showed an ordinary gain but not a capital gain, and transactions which included neither a gain nor a loss. Detail may not add to total because of rounding.

Crude Oil Windfall Profit Tax, First Quarter 1985

By Edward Chung*

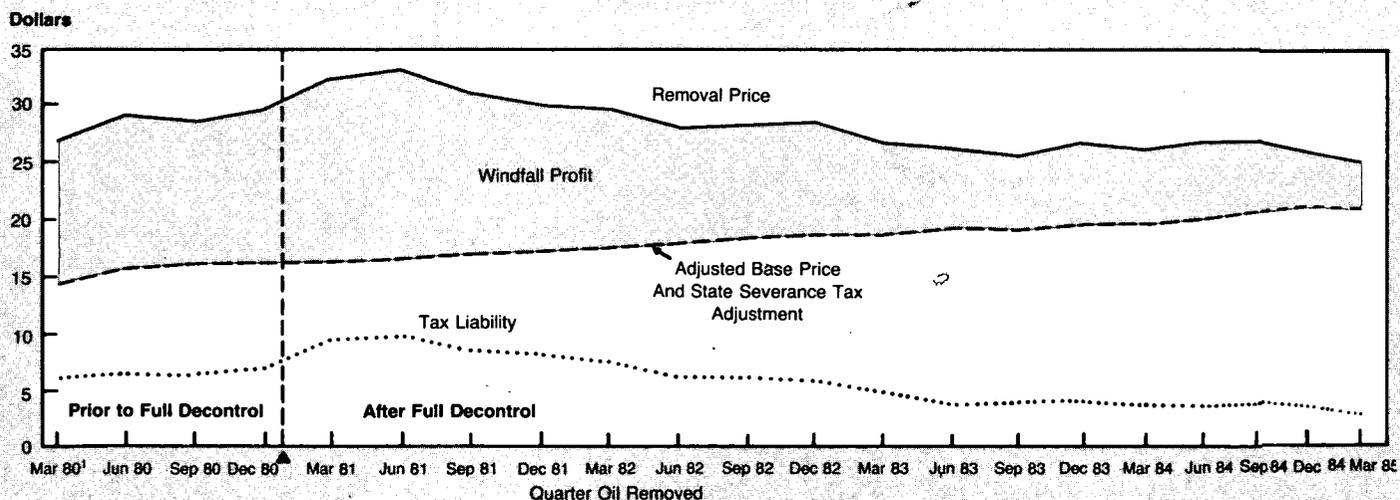
Figure A
Components¹ of Windfall Profit Tax Liability Before Adjustments:
Aggregate Values By Quarter Oil Removed



¹Some returns report windfall profit tax liability only; therefore, data for removal value, adjusted base value and state severance tax adjustment have been adjusted to reflect totals as if all returns reported this detail.

²One month only.

Figure B
Components of Windfall Profit Tax Liability:
Averages per Barrel by Quarter Oil Removed



NOTE: Because of price controls during 1980, there were cases where the removal price was less than the adjusted base price and no Form 9047 was filed. The data in the figure are based on information reported.

¹One month only.

Table 1.--Windfall Profit Tax Liability by Oil Tier, Tax Rate and Aggregate Components of Windfall Profit for Quarter Ending March 1985

[Money amounts are in millions of dollars]

Oil tier and tax rate	Number of barrels of oil (000's)	Removal value	Adjusted base value	State severance tax adjustment	Windfall profit	Tax liability before adjustments
	(1)	(2)	(3)	(4)	(5)	(6)
Returns with tax liability shown by oil tier and tax rate, total	613,845	15,160	12,498	121	2,540	1,744
Tier one, other than Sadlerochit oil:						
Taxed at 70 percent	252,513	6,738	4,504	84	2,150	1,453
Taxed at 50 percent	22,911	593	411	12	169	86
Tier one, Sadlerochit oil:						
Taxed at 70 percent	88,478	1,546	1,547	5	-6	17
Taxed at 50 percent	-	-	-	-	-	-
Tier two oil:						
Taxed at 60 percent	51,250	1,355	1,082	11	262	150
Taxed at 30 percent	2,684	40	34	-	5	6
Tier three oil (taxed at 30 percent):						
Newly discovered oil ¹	122,509	3,134	3,211	6	-83	15
Incremental tertiary oil	42,430	1,092	1,046	2	44	13
Heavy oil	31,059	661	662	-	-1	3
Returns with total tax liability only	-	-	-	-	-	106

¹Newly discovered oil is taxed at 22.5 percent from 1984 to 1987.

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

Table 2.--Windfall Profit Tax Liability for Returns Reporting Components of Windfall Profit by Oil Tier and Tax Rate for the Quarter Ending March 1985¹

Oil tier and tax rate	Average daily production (000's) (barrels)	Removal price	Adjusted base price	State severance tax adjustment	Windfall profit	Tax liability before adjustments
	(1)	(2)	(3)	(4)	(5)	(6)
Returns with tax liability shown by oil tier and tax rate, total	6,820	24.69	20.36	.19	4.14	2.84
Tier one, other than Sadlerochit oil:						
Taxed at 70 percent	2,806	26.68	17.83	.33	8.52	5.75
Taxed at 50 percent	255	25.87	17.95	.51	7.41	3.75
Tier one, Sadlerochit oil:						
Taxed at 70 percent	983	17.47	17.48	.05	-.05	.19
Taxed at 50 percent	-	-	-	-	-	-
Tier two oil:						
Taxed at 60 percent	569	26.44	21.11	.22	5.11	2.93
Taxed at 30 percent	30	14.92	12.73	.15	2.04	2.14
Tier three oil (taxed at 30 percent):						
Newly discovered oil ²	1,361	25.57	26.20	.05	-.68	.12
Incremental tertiary oil	471	25.74	24.66	.05	1.03	.31
Heavy oil	345	21.28	21.31	.00	-.03	.09

¹All amounts are average dollars per barrel.²Newly discovered oil is taxed at 22.5 percent from 1984 to 1987.

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

Table 3.--Exempt Oil Volume by Tier and Category, Quarter Ending March 1985

[Thousands of barrels]

Exempt Oil	Total	Tier one	Tier two	Tier three		
				Newly discovered oil	Incremental tertiary oil	Heavy oil
	(1)	(2)	(3)	(4)	(5)	(6)
Total	81,404	17,393	43,761	18,458	1,195	596
Exempt governmental interest	16,996	13,252	716	1,909	665	454
Exempt charitable interest	969	445	295	130	87	12
Exempt Indian oil	833	384	181	213	54	1
Exempt Alaskan oil	12,212	131	-	12,081	-	-
Exempt royalty oil	11,227	3,180	3,403	4,124	390	130
Exempt stripper oil	39,167	-	39,167	-	-	-

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

Table 4.--Windfall Profit Tax Before and After Adjustments

[Millions of dollars]

Quarter ending	Tax before adjustments	Total adjustments	Tax after adjustments
	(1)	(2)	(3)
Total	\$79,299	-\$5,424	\$73,875
March 1980 ¹	788	-	788
June 1980	2,842	-21	2,821
September 1980	3,413	-88	3,325
December 1980	3,918	-927	2,991
March 1981	6,953	+242	7,195
June 1981	7,253	-107	7,146
September 1981	6,344	-251	6,093
December 1981	6,007	-497	5,510
March 1982	5,222	-221	5,001
June 1982	4,283	-295	3,988
September 1982	4,404	-445	3,959
December 1982	4,440	-634	3,806
March 1983	3,320	-193	3,127
June 1983	2,951	-203	2,748
September 1983	2,822	-300	2,522
December 1983	2,736	-465	2,271
March 1984	2,622	-228	2,394
June 1984	2,468	-218	2,250
September 1984	2,447	-200	2,247
December 1984	2,236	-256 ²	1,980 ²
March 1985	1,830	-117	1,713

¹One month only.²Revised.

Selected Statistical Series, 1970-1985

Table	Page
1 - Individual Income Tax Returns: Selected Income and Tax Items for Selected Years, 1970-1984	1
2 - Individual Income and Tax Data by State, 1984	97
3 - Number of Individual Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1980-1983	100
4 - Nonfarm Sole Proprietorship Returns: Selected Income and Deduction Items for Selected Years, 1970-1983	102
5 - Partnership Returns: Selected Income Statement and Balance Sheet Items for Selected Years, 1970-1983	102
6 - Number of Business Income Tax Returns, by Size of Receipts and Assets, for Selected Years 1970-1983	103
7 - Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division for Selected Years, 1970-1982	104
8 - Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items for Selected Years, 1970-1982	106
9 - Gross Internal Revenue Collections: Amount Collected by Quarter and Fiscal Year, 1981-1985	107
10 - Internal Revenue Refunds: Amount Refunded by Quarter and Fiscal Year, 1981-1985	107
11 - Classes of Excise Taxes by Selected Fiscal Year, 1970-1985	108
12 - Selected Returns and Forms Filed During Selected Calendar Years, 1970-1985	109
13 - Taxpayers Receiving Assistance, Paid and Unpaid, by Tax Year of Return, 1982-1984	109
Notes to Selected Statistical Series Tables	110

NOTICE

The data on the following pages are the latest and most accurate available at time of publication. However, they are subject to continuous revision as more information becomes available. Data labeled as preliminary should be used with caution.

Selected Statistical Series, 1970-85

Table 1. — Individual income Tax Returns: Selected Income and Tax Items for Selected Years, 1970-1984
 [All figures are estimates based on samples — money amounts are in thousands of dollars]

Item	1970	1975	1980	1981	1983	1984 (Preliminary)
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns:						
All returns	74,279,831	82,229,332	93,902,469	95,396,123	96,321,310	99,604,775
Joint returns	42,376,365	44,140,085	45,243,211	45,697,648	46,363,787	47,731,750
Total gross income, amount	639,357,791	962,886,872	1,642,345,558	1,804,046,591	2,023,982,876	2,247,440,765
Salaries and wages:						
Number of returns	66,965,659	73,520,046	83,802,109	84,208,807	83,120,588	86,346,235
Amount	531,883,892	795,399,462	1,349,842,802	1,486,100,497	1,644,572,655	1,818,588,323
Interest received:						
Number of returns	32,630,355	40,378,240	49,019,575	49,656,550 ¹	57,076,334	62,199,616
Amount	22,021,267	43,433,554	102,009,444	140,559,366 ¹	153,805,163	173,855,732
Taxable pensions and annuities:						
Number of returns	3,249,558	5,088,937	7,373,704	8,157,475	10,120,721	11,572,923
Amount	7,878,808	20,886,871	43,339,736	51,886,406	69,813,961	80,003,021
Dividends:						
No. of returns before exclusion ..	12,452,227	13,370,427	14,640,139	16,482,018	17,620,109	18,564,113
Amount	17,018,148	23,270,182	43,567,241	48,161,460	50,411,519	51,309,681
No. of returns after exclusion ...	7,729,939	8,853,491	10,738,982	n. a.	13,326,556	14,154,993
Amount	15,806,924	21,892,126	38,761,253	n. a.	48,556,703	49,396,478
Net capital gain less loss:						
Number of returns	7,962,663	7,574,823	8,929,474	9,484,987	9,542,529	10,753,964
Amount	9,006,683	14,071,893	29,659,600	30,818,535	48,895,719	52,064,469
Business net income (less loss):						
Number of returns	6,159,985	7,242,542	8,881,119	9,571,409	10,682,124	11,229,289
Amount	30,554,201	39,421,478	55,129,154	53,071,628	60,359,154	69,915,552
Total adjustments:						
Number of returns	6,370,552	9,024,255	13,148,919	14,078,211	34,837,711	37,191,980
Amount	7,665,251	15,101,999	28,614,061	31,442,288	81,393,011	89,702,665
Married couple who both work:						
Number of returns	N/A	N/A	N/A	N/A	22,557,433	24,320,469
Amount	N/A	N/A	N/A	N/A	19,762,365	22,602,083
Individual Retirement Arrangement:						
Number of returns	N/A	1,211,794	2,564,421	3,415,053	13,613,167	15,358,972
Amount	N/A	1,436,443	3,430,894	4,750,190	32,060,627	35,773,272
Self-Employed Retirement (Keogh):						
Number of returns	591,655	595,892	568,936	557,038	656,038	659,238
Amount	847,692	1,603,788	2,007,666	2,011,947	2,937,980	4,108,267
Adjusted gross income	631,692,540	947,784,873	1,613,731,497	1,772,604,303	1,942,589,865	2,157,738,100
Exemptions:						
Total number	204,126,402	212,202,596	227,925,098	231,222,374	234,390,944	241,493,051
Number, age 65 or over	8,904,331	9,937,208	11,847,168	13,118,926	14,819,860	15,824,479
Total amount	127,531,204	159,140,845	227,569,280	231,119,115	234,390,944	241,493,051
Total deductions:						
Number of returns	73,862,448	81,585,541	88,491,251	90,319,941	90,816,724	95,071,466
Amount	120,549,755	233,181,778	346,000,155	401,168,213	448,667,194 ²	497,701,988 ²
Total itemized deductions:						
Number of returns	35,430,047	26,074,061	28,950,282	31,571,246	35,230,292	38,223,010
Amount	88,178,487	122,260,601	218,028,139	256,448,021	309,633,773	356,427,100
Medical and dental expense	10,585,749	11,422,312	14,972,082	17,878,680	18,074,335	21,349,054
Taxes paid	32,014,673	44,141,289	69,404,275	79,698,519	99,750,645	115,917,237
Interest paid	23,929,477	38,885,282	91,187,006	108,718,281	134,691,655	155,203,539
Contributions	12,892,732	15,393,331	25,809,608	30,800,722	37,677,955	42,419,604
Taxable income:						
Number of returns	59,593,598	65,852,602	88,104,696	89,851,304	90,816,724	94,444,394
Amount	401,154,285	595,492,866	1,279,985,360	1,410,880,665	1,544,872,497	1,714,704,713
Income tax before credits:						
Number of returns	59,596,755	65,854,734	76,135,819	79,011,548	80,610,882	84,661,717
Amount	84,156,695 ³	132,452,044	256,294,315	293,590,035	279,841,890	310,963,054
Total tax credits	369,610	8,069,846	7,215,839	11,288,005	18,190,737 ⁴	8,901,812 ⁴
General tax credit	N/A	5,020,477	N/A	3,382,711 ⁵	N/A	N/A
Investment credit	30,554	1,593,150	3,288,415	3,971,199	4,161,453	5,948,020
Foreign tax credit	169,623	381,985	1,341,645	1,233,564	617,749	579,321
Child care credit	N/A	N/A	956,439	1,147,907	2,051,462	2,665,426
Credit for the elderly	167,656	128,968	134,993	124,011	116,324	108,736
Residential energy credit	N/A	N/A	562,141	600,831	549,024	634,584
Earned income credit	N/A	252,141	451,366	452,482	314,499	286,691
Income tax after credits	83,787,323	124,382,197	249,078,475	282,302,029	271,651,153	302,061,242
Additional tax for tax preferences ...	121,988	144,100	1,262,964	1,826,960	2,530,170 ⁶	1,908,651
Total income tax:						
Number of returns	59,317,371	61,490,737	73,906,244	76,724,724	78,016,323	81,850,383
Amount	83,909,311	124,526,297	250,341,440	284,128,989	274,181,323	303,969,892
Payment status:						
Returns with payment due	16,478,813	15,842,400	21,755,516	23,007,970	18,467,829	20,660,163
Returns with refund or credit due ..	55,273,385	63,825,188	69,868,451	70,028,741	74,993,969	76,275,924

See notes following Table 13.

Table 2. — Individual Income and Tax by State, 1984
 [Money amounts are in thousands of dollars]

State	Number of returns	Number of exemptions ¹	Adjusted gross income (AGI)	Salaries and wages		Dividends after exclusion	
				Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
United States, total ²	99,752,249	239,616,963	2,134,035,012	85,071,114	1,781,778,658	14,128,770	51,039,143
Alabama.....	1,466,037	3,729,138	27,510,149	1,289,812	23,629,019	127,636	403,651
Alaska.....	235,342	541,176	6,521,339	209,237	5,935,380	55,035	61,434
Arizona.....	1,276,456	3,148,503	26,266,331	1,065,927	21,281,793	184,515	737,987
Arkansas.....	844,657	2,183,289	14,591,720	709,625	12,027,646	67,634	210,964
California.....	11,360,495	27,319,945	261,437,661	9,659,268	218,707,697	1,602,037	6,106,276
Colorado.....	1,410,396	3,252,922	31,260,319	1,216,918	26,693,694	208,977	635,461
Connecticut.....	1,539,588	3,408,010	39,026,841	1,324,526	32,524,805	311,475	1,335,259
Delaware.....	273,752	639,345	6,148,020	237,402	5,097,036	48,361	230,035
District of Columbia	316,428	648,554	7,142,767	273,781	5,550,460	44,738	268,233
Florida.....	4,905,553	11,594,614	101,264,658	3,914,520	72,842,092	857,128	4,558,531
Georgia.....	2,375,875	5,719,184	48,000,006	2,133,144	42,177,150	226,153	794,469
Hawaii.....	461,424	1,055,297	9,322,406	400,452	7,765,670	68,520	193,874
Idaho.....	368,546	990,884	6,577,681	304,436	5,480,486	44,599	123,598
Illinois.....	4,833,380	11,681,835	108,791,989	4,102,975	91,106,811	787,363	2,738,103
Indiana.....	2,237,755	5,525,994	45,223,206	1,906,784	38,501,781	255,626	723,368
Iowa.....	1,165,334	2,922,123	21,295,026	915,219	17,030,232	171,997	420,979
Kansas.....	1,010,998	2,496,801	21,020,130	834,098	17,088,564	140,992	415,424
Kentucky.....	1,342,328	3,354,595	24,936,186	1,136,154	20,881,422	126,511	453,931
Louisiana.....	1,644,979	4,229,245	33,071,191	1,449,850	28,111,751	151,982	529,954
Maine.....	488,025	1,155,368	8,698,656	418,654	7,084,108	65,093	249,268
Maryland.....	1,995,849	4,555,799	47,558,988	1,750,954	40,335,140	305,238	1,009,167
Massachusetts.....	2,722,247	5,953,060	61,671,995	2,356,725	51,139,848	464,420	1,702,087
Michigan.....	3,687,450	8,846,027	82,622,589	3,150,910	71,118,527	563,470	1,652,243
Minnesota.....	1,779,381	4,262,333	37,501,184	1,494,178	31,956,812	277,593	741,500
Mississippi.....	892,402	2,381,390	14,851,519	788,880	12,809,719	65,951	185,326
Missouri.....	2,053,771	4,983,834	41,834,149	1,718,416	34,660,520	267,990	1,003,425
Montana.....	339,743	842,948	5,758,469	270,198	4,626,452	51,468	133,706
Nebraska.....	674,745	1,671,184	12,147,832	543,807	10,069,618	93,451	241,259
Nevada.....	430,802	971,274	9,085,434	376,407	7,584,574	45,460	195,355
New Hampshire.....	462,335	1,052,678	9,988,865	405,530	8,344,754	70,454	265,783
New Jersey.....	3,675,451	8,555,020	89,340,546	3,201,037	75,690,379	689,227	2,269,956
New Mexico.....	571,773	1,455,538	10,432,983	493,780	8,834,702	64,001	203,293
New York.....	7,464,439	17,538,439	177,651,309	6,383,915	143,111,112	1,329,571	5,772,435
North Carolina.....	2,565,678	6,080,635	48,412,116	2,291,376	41,196,139	267,179	956,310
North Dakota.....	279,934	704,591	4,947,038	217,194	3,791,683	30,489	56,096
Ohio.....	4,446,458	10,681,804	93,270,160	3,794,796	79,290,060	631,406	2,035,990
Oklahoma.....	1,263,553	3,174,432	26,210,357	1,057,336	21,351,082	116,711	419,362
Oregon.....	1,109,872	2,687,189	21,581,695	908,679	17,488,438	160,883	487,132
Pennsylvania.....	4,982,979	11,698,481	101,855,139	4,171,500	83,578,761	803,045	2,690,682
Rhode Island.....	429,433	960,463	8,568,791	372,257	7,041,410	61,557	216,796
South Carolina.....	1,277,317	3,134,519	23,656,350	1,146,993	20,302,958	114,771	399,709
South Dakota.....	283,972	718,880	4,257,329	220,589	3,443,240	34,962	74,311
Tennessee.....	1,872,850	4,560,547	35,085,784	1,644,485	30,296,908	161,731	511,817
Texas.....	6,496,390	16,312,584	145,168,114	5,697,488	122,350,345	690,999	2,783,739
Utah.....	581,082	1,643,780	11,789,485	506,856	10,264,958	66,679	196,383
Vermont.....	225,343	523,894	4,126,972	192,524	3,353,959	39,506	150,819
Virginia.....	2,424,622	5,616,057	54,403,915	2,137,841	46,163,560	352,374	1,117,665
Washington.....	1,864,365	4,418,897	40,225,585	1,567,647	33,236,211	281,359	825,597
West Virginia.....	664,129	1,694,690	12,681,869	561,978	10,552,624	70,470	228,527
Wisconsin.....	1,999,972	4,789,147	39,810,558	1,693,936	33,752,634	298,598	861,136
Wyoming.....	207,546	521,993	4,372,968	178,774	3,777,118	26,153	92,381
Other areas ³	469,018	1,028,034	5,058,643	271,346	10,746,816	85,232	368,357

Selected Statistical Series, 1970-85

Table 2. (Continued) — Individual Income and Tax by State, 1984
 [Money amounts are in thousands of dollars]

State	Interest		Unemployment compensation in AGI		Itemized Deductions		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Total Deductions	Average amount
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
United States, total ²	61,764,997	176,077,712	4,433,578	5,941,097	38,803,369	357,953,970	9,225
Alabama.....	734,673	1,690,765	74,868	67,077	554,890	4,225,055	7,614
Alaska.....	149,113	283,085	25,136	46,049	93,000	1,051,437	11,306
Arizona.....	764,274	2,535,925	31,619	33,965	575,399	5,334,988	9,272
Arkansas.....	439,409	1,346,519	35,122	33,854	263,815	2,046,016	7,755
California.....	6,932,440	22,990,669	498,303	696,556	4,900,602	57,669,065	11,768
Colorado.....	917,793	2,415,561	49,442	67,974	660,809	6,583,216	9,962
Connecticut.....	1,122,224	2,974,001	70,970	78,958	590,781	5,864,975	9,927
Delaware.....	166,224	388,021	13,203	16,701	112,369	992,000	8,828
District of Columbia	152,386	429,500	6,159	10,147	125,205	1,337,924	10,686
Florida.....	2,877,667	12,514,788	86,162	107,238	1,645,345	15,198,557	9,237
Georgia.....	1,154,971	2,835,725	90,495	68,200	847,039	7,810,394	9,221
Hawaii.....	336,810	722,525	19,483	30,925	189,399	1,852,314	9,780
Idaho.....	232,642	653,898	22,346	28,600	148,914	1,228,345	8,249
Illinois.....	3,238,496	9,664,419	239,861	397,697	1,880,875	16,186,085	8,606
Indiana.....	1,396,756	3,519,319	104,306	102,314	754,052	5,731,069	7,600
Iowa.....	858,859	2,755,526	56,801	67,475	481,774	3,537,273	7,342
Kansas.....	666,179	2,090,323	39,208	45,791	405,123	3,379,652	8,342
Kentucky.....	729,630	1,950,357	73,897	76,275	490,420	3,624,231	7,390
Louisiana.....	833,107	2,369,123	85,416	145,280	535,576	4,615,720	8,618
Maine.....	306,169	623,087	20,541	20,920	144,804	1,098,377	7,585
Maryland.....	1,272,504	2,951,296	69,046	92,992	938,285	9,261,934	9,871
Massachusetts.....	1,952,674	4,489,950	114,388	164,808	1,071,732	9,386,369	8,758
Michigan.....	2,475,017	5,619,090	270,855	375,626	1,737,787	14,488,031	8,337
Minnesota.....	1,292,880	3,214,151	84,973	134,641	889,916	8,111,663	9,115
Mississippi.....	379,014	1,041,341	33,800	31,986	259,001	2,065,620	7,975
Missouri.....	1,294,489	3,866,987	85,183	71,027	730,339	5,754,817	7,880
Montana.....	227,268	705,501	18,718	25,003	128,060	957,008	7,473
Nebraska.....	464,074	1,463,991	19,892	20,622	232,763	1,913,057	8,219
Nevada.....	231,857	780,392	21,331	27,165	152,867	1,494,879	9,779
New Hampshire.....	315,819	684,510	17,650	17,141	148,399	1,243,640	8,380
New Jersey.....	2,450,145	6,573,756	166,338	260,509	1,434,792	13,713,251	9,558
New Mexico.....	302,271	821,022	15,463	18,815	186,565	1,538,830	8,248
New York.....	5,076,747	15,594,028	303,523	458,622	3,471,167	34,788,324	10,022
North Carolina.....	1,342,650	2,969,664	116,104	86,124	949,983	7,581,697	7,981
North Dakota.....	197,554	623,657	12,352	18,578	85,253	650,117	7,626
Ohio.....	2,860,906	7,082,159	230,337	349,611	1,611,069	13,455,573	8,352
Oklahoma.....	702,219	2,309,429	40,926	51,672	509,140	4,658,308	9,149
Oregon.....	731,949	2,142,371	67,234	92,619	497,492	4,335,801	8,715
Pennsylvania.....	3,375,360	8,256,718	337,134	523,718	1,748,152	13,671,387	7,820
Rhode Island.....	279,628	708,202	26,733	30,528	152,433	1,263,209	8,287
South Carolina.....	625,438	1,357,682	53,834	41,724	502,822	3,928,001	7,812
South Dakota.....	187,514	601,007	5,015	5,118	72,621	526,176	7,246
Tennessee.....	943,603	2,443,557	71,379	62,090	524,811	4,215,953	8,033
Texas.....	3,376,772	11,412,430	158,929	231,376	2,086,406	20,564,440	9,856
Utah.....	371,722	742,977	23,695	30,949	292,239	2,678,298	9,165
Vermont.....	150,513	329,092	9,237	10,038	73,808	572,055	7,751
Virginia.....	1,423,743	3,372,886	71,358	64,675	973,200	9,355,648	9,613
Washington.....	1,228,399	3,542,553	126,536	197,926	715,742	6,344,082	8,864
West Virginia.....	394,420	902,224	51,829	80,102	173,160	1,317,079	7,606
Wisconsin.....	1,468,345	3,441,301	152,285	203,424	869,584	7,248,391	8,335
Wyoming.....	133,674	379,770	10,070	12,603	75,523	630,797	8,352
Other areas ³	226,007	900,882	4,093	7,269	108,067	872,842	8,077

Table 2. (Continued) — Individual Income and Tax by State, 1984
[Money amounts are in thousands of dollars]

State	Tax liability			Earned income credit			
	Total tax		Average tax	Number of returns	Amount	Used to offset tax	
	Number of Returns	Amount				Number of returns	Amount
	(15)	(16)	(17)	(18)	(19)	(20)	(21)
United States, total ²	84,792,349	314,228,708	3,706	5,817,056	-1,653,907	4,244,270	-1,184,854
Alabama.....	1,213,417	3,624,991	2,987	152,493	-44,295	114,110	-32,434
Alaska.....	206,301	1,119,117	5,425	7,633	-2,012	5,069	-1,293
Arizona.....	1,077,849	3,546,875	3,291	76,747	-22,025	58,035	-16,521
Arkansas.....	694,900	1,890,354	2,720	86,961	-25,200	62,782	-17,717
California.....	9,641,659	37,923,424	3,933	680,605	-197,631	536,874	-154,380
Colorado.....	1,217,322	4,530,134	3,721	59,483	-16,839	42,167	-11,611
Connecticut.....	1,359,611	6,571,126	4,833	36,832	-10,041	25,545	-6,899
Delaware.....	236,306	893,486	3,781	14,158	-3,944	10,230	-2,838
District of Columbia	269,308	1,211,412	4,498	23,345	-6,734	18,250	-5,178
Florida.....	4,164,592	15,842,190	3,804	317,994	-91,648	228,383	-64,440
Georgia.....	2,009,150	6,637,944	3,304	200,529	-57,686	147,214	-41,547
Hawaii.....	392,619	1,224,322	3,118	17,085	-4,464	11,188	-2,940
Idaho.....	306,508	831,955	2,714	25,969	-7,431	17,847	-4,922
Illinois.....	4,115,059	16,921,715	4,112	236,719	-66,282	177,863	-49,119
Indiana.....	1,879,545	6,451,411	3,432	119,455	-33,527	85,495	-23,562
Iowa.....	975,559	2,955,652	3,030	59,511	-16,080	37,324	-9,528
Kansas.....	866,725	3,101,764	3,579	45,466	-12,557	30,491	-8,202
Kentucky.....	1,115,961	3,401,332	3,048	112,879	-32,372	78,702	-21,871
Louisiana.....	1,349,395	4,940,774	3,661	171,674	-49,246	131,653	-36,976
Maine.....	411,639	1,115,650	2,710	28,404	-7,968	19,011	-5,137
Maryland.....	1,742,179	7,498,313	4,304	84,822	-23,692	60,739	-16,749
Massachusetts.....	2,392,328	9,493,934	3,968	81,529	-22,853	57,245	-15,809
Michigan.....	3,131,703	11,765,561	3,757	151,138	-42,106	109,607	-29,869
Minnesota.....	1,528,293	4,948,611	3,238	70,342	-19,413	45,475	-11,637
Mississippi.....	709,395	1,908,928	2,691	137,867	-40,195	107,879	-30,617
Missouri.....	1,740,013	6,143,123	3,531	121,944	-34,177	84,917	-23,098
Montana.....	275,224	792,900	2,881	22,803	-6,335	15,490	-4,122
Nebraska.....	566,719	1,726,049	3,046	34,957	-9,572	22,117	-5,706
Nevada.....	368,593	1,417,961	3,847	20,928	-5,894	15,187	4,226
New Hampshire.....	403,276	1,496,998	14	14,929	-4,092	9,710	-2,612
New Jersey.....	3,254,296	14,139,138	4,345	148,258	-41,352	106,635	-29,837
New Mexico.....	460,255	1,401,155	3,044	53,458	-14,952	41,170	-11,337
New York.....	6,518,246	26,999,427	4,142	419,762	-120,170	308,521	-86,704
North Carolina.....	2,172,911	6,331,115	2,914	196,299	-55,328	134,970	37,634
North Dakota.....	236,393	702,361	2,971	15,592	-4,213	9,270	-2,330
Ohio.....	3,791,923	13,066,043	3,446	208,330	-57,937	149,950	-40,874
Oklahoma.....	1,061,346	3,912,753	3,687	88,340	-25,668	62,964	-17,702
Oregon.....	930,945	2,792,315	2,999	60,188	-17,227	43,272	-12,019
Pennsylvania.....	4,246,134	15,100,412	3,556	227,307	-63,280	160,290	-43,912
Rhode Island.....	370,423	1,176,704	3,177	18,284	-5,106	13,131	-3,643
South Carolina.....	1,066,420	2,973,792	2,789	112,554	-32,293	82,146	-23,302
South Dakota.....	229,962	593,135	2,579	21,378	-5,824	13,203	-3,312
Tennessee.....	1,563,224	4,925,824	3,151	164,358	-47,062	118,213	-33,105
Texas.....	5,462,932	24,076,502	4,407	486,404	-141,089	367,373	-104,976
Utah.....	487,233	1,400,287	2,874	28,291	-8,011	20,193	-5,561
Vermont.....	192,569	542,700	2,818	11,977	-3,275	7,780	-2,034
Virginia.....	2,103,563	7,763,991	3,691	116,596	-32,684	80,215	-22,352
Washington.....	1,594,103	5,887,949	3,694	80,909	-22,576	58,232	-15,896
West Virginia.....	556,564	1,697,656	3,050	52,349	-14,485	38,177	-10,522
Wisconsin.....	1,690,730	5,193,758	3,072	79,776	-21,825	53,823	-14,014
Wyoming.....	175,503	671,805	3,828	10,011	-2,838	6,973	-1,889
Other areas ³	265,526	951,880	3,585	1,434	-401	1,170	-340

See notes following Table 13.

Table 3.—Number of Individual Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1980-1983
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns for -		Total adjusted gross income		Taxable income	
	1980	1981	1980	1981	1980	1981
	(1)	(2)	(3)	(4)	(5)	(6)
Total	93,902,469	95,396,123	1,613,731,497	1,772,604,303	1,279,985,360	1,410,880,665
Less than \$1000	3,687,997	3,484,734	-11,063,711	-16,952,842	11,799	7,084
\$1,000 under \$3,000	8,673,301	7,855,771	17,314,975	15,691,845	7,569,858	7,064,102
\$3,000 under \$5,000	7,694,231	7,405,871	30,654,346	29,580,649	18,534,160	17,994,684
\$5,000 under \$7,000	7,633,889	7,251,941	45,738,822	43,446,800	30,497,371	29,153,117
\$7,000 under \$9,000	7,336,650	7,066,520	58,608,700	56,341,030	42,267,675	40,597,471
\$9,000 under \$11,000	6,605,618	6,514,144	65,907,303	65,051,373	49,980,765	49,147,621
\$11,000 under \$13,000	5,830,212	5,821,233	69,911,911	69,702,815	54,591,487	54,207,411
\$13,000 under \$15,000	5,267,669	5,190,200	73,590,238	72,548,282	58,114,413	57,705,230
\$15,000 under \$17,000	4,654,783	4,648,986	74,387,702	74,256,678	59,701,351	59,486,499
\$17,000 under \$19,000	4,350,522	4,291,557	78,267,330	77,161,287	63,009,244	62,056,343
\$19,000 under \$22,000	5,925,162	5,967,094	121,233,104	122,157,450	97,261,921	98,703,455
\$22,000 under \$25,000	5,325,787	5,207,693	125,021,261	122,181,884	100,538,990	98,956,187
\$25,000 under \$30,000	6,783,466	7,205,282	185,760,754	197,424,953	150,218,626	159,682,521
\$30,000 under \$35,000	4,729,899	5,294,687	152,927,369	171,601,299	124,032,123	138,893,019
\$35,000 under \$40,000	3,221,053	3,910,649	120,167,693	145,814,841	97,276,738	118,288,891
\$40,000 under \$50,000	3,053,039	4,182,389	134,907,796	185,322,655	109,091,818	149,273,745
\$50,000 under \$75,000	2,033,079	2,796,836	120,009,700	164,256,670	96,834,054	131,174,316
\$75,000 under \$100,000	535,348	645,884	45,918,079	55,099,048	36,849,386	43,524,621
\$100,000 under \$150,000	336,269	398,479	40,213,979	47,552,689	32,528,035	37,518,693
\$150,000 under \$200,000	107,245	118,037	18,377,241	20,164,437	14,823,138	15,842,213
\$200,000 under \$300,000	68,422	80,945	16,387,236	19,350,168	13,211,348	15,230,276
\$300,000 under \$500,000	31,947	37,147	11,956,450	13,906,555	9,505,239	10,788,043
\$500,000 under \$1,000,000	12,467	14,758	8,323,125	9,815,188	6,516,941	7,416,993
\$1,000,000 or more	4,414	5,286	9,210,095	11,128,551	7,018,879	8,168,130

Size of adjusted gross income	Total income tax ¹		Percent of filers with no income tax liability		Filers with income tax liability			
					Average tax (whole dollars)		Tax as percent of adj. gross inc.	
	1980	1981	1980	1981	1980	1981	1980	1981
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total	250,341,440	284,128,989	21.3	19.6	3,387	3,703	16.1	16.5
Less than \$1,000	103,645	137,840	99.7	99.5	10,091 ²	8,626 ²	-	-
\$1,000 under \$3,000	32,471	43,465	96.9	95.5	122	123	6.1	6.0
\$3,000 under \$5,000	530,988	516,050	42.5	41.7	120	120	2.9	2.9
\$5,000 under \$7,000	1,864,897	1,761,464	32.1	32.0	360	357	6.0	5.9
\$7,000 under \$9,000	3,494,441	3,306,387	17.8	18.1	579	571	7.2	7.1
\$9,000 under \$11,000	5,296,395	5,150,823	5.0	5.2	844	834	8.5	8.3
\$11,000 under \$13,000	6,586,710	6,531,708	2.5	3.2	1,159	1,160	9.7	9.7
\$13,000 under \$15,000	7,633,561	7,601,053	2.1	2.2	1,480	1,498	10.7	10.7
\$15,000 under \$17,000 M 1980 ..	8,417,235	8,355,068	1.5	1.8	1,835	1,830	11.5	11.5
\$17,000 under \$19,000 M 1981 ..	9,351,972	9,226,778	1.1	1.3	2,173	2,179	12.1	12.1
\$19,000 under \$22,000	15,189,223	15,609,261	1.0	1.1	2,589	2,645	12.9	12.9
\$22,000 under \$25,000	16,620,372	16,563,264	.6	.9	3,138	3,209	13.7	13.7
\$25,000 under \$30,000	26,635,973	28,474,945	.4	.6	3,941	3,976	14.4	14.5
\$30,000 under \$35,000	23,969,187	26,910,961	.5	.4	5,091	5,103	15.7	15.7
\$35,000 under \$40,000	20,419,148	24,834,220	.5	.3	6,373	6,370	17.1	17.1
\$40,000 under \$50,000	25,565,426	34,847,163	.4	.6	8,404	8,379	19.9	18.9
\$50,000 under \$75,000	27,208,647	36,299,454	.6	.5	13,463	13,050	22.8	22.2
\$75,000 under \$100,000	12,549,071	14,715,265	.4	.4	23,531	22,867	26.4	26.8
\$100,000 under \$150,000	12,868,433	14,619,378	.3	.4	38,368	36,828	32.1	30.9
\$150,000 under \$200,000	6,537,749	6,886,418	.3	.2	61,169	58,439	35.7	34.2
\$200,000 under \$300,000	6,370,648	7,183,611	.1	.2	93,234	88,930	38.9	37.2
\$300,000 under \$500,000	4,971,806	5,566,282	.1	.1	155,797	149,990	41.6	40.1
\$500,000 under \$1,000,000	3,713,691	4,100,676	.1	.1	298,169	278,182	44.7	41.8
\$1,000,000 or more	4,409,751	4,887,456	.1	.1	999,944	925,655	47.9	44.0

M - The median taxpayer was at this income level.
 See notes following Table 13.

Table 3. (Continued)—Number of Individual Returns, Income, Tax and Average Tax by Size of Adjusted Gross Income, Tax Years 1980-1983
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Size of adjusted gross income	Number of returns for -		Total adjusted gross income		Taxable income	
	1982	1983	1982	1983	1982	1983
	(1)	(2)	(3)	(4)	(5)	(6)
Total	95,337,432	96,321,310	1,852,135,465	1,942,589,865	1,473,348,899	1,544,872,497
Less than \$1000	3,412,105	3,415,113	-22,324,833	-25,592,802	29,646	75,549
\$1,000 under \$3,000	7,573,825	7,253,408	15,122,101	14,482,816	6,717,217	6,757,833
\$3,000 under \$5,000	6,966,104	7,167,924	27,925,256	28,679,137	17,168,389	17,374,119
\$5,000 under \$7,000	6,682,490	6,734,360	39,885,078	40,321,353	26,709,472	26,472,290
\$7,000 under \$9,000	7,176,962	6,879,931	57,512,193	55,039,361	40,904,714	39,153,168
\$9,000 under \$11,000	6,421,665	6,205,165	64,229,520	61,927,394	47,995,843	46,314,016
\$11,000 under \$13,000	5,651,414	5,724,798	67,793,416	68,522,507	52,526,932	52,529,347
\$13,000 under \$15,000	5,414,103	5,161,674	75,702,223	72,217,107	59,652,891	57,062,111
\$15,000 under \$17,000	4,734,479	4,593,795	75,594,637	73,350,227	60,951,455	58,956,588
\$17,000 under \$19,000	3,964,008	4,291,218	71,295,728	77,093,374	57,689,594	62,209,794
\$19,000 under \$22,000	5,365,925	5,617,176	109,806,080	115,071,603	88,855,846	93,320,322
\$22,000 under \$25,000	5,273,703	5,115,957	123,853,268	120,238,524	100,054,304	97,650,110
\$25,000 under \$30,000	7,621,965	7,357,487	209,572,367	201,763,983	169,726,189	163,111,031
\$30,000 under \$35,000	5,646,966	6,011,290	182,644,120	194,666,035	146,947,632	156,601,086
\$35,000 under \$40,000	4,215,650	4,409,645	157,391,914	164,664,066	126,471,828	131,804,272
\$40,000 under \$50,000	4,716,532	5,147,782	208,952,374	228,225,122	166,018,176	181,289,066
\$50,000 under \$75,000	3,057,266	3,591,188	179,566,469	211,838,450	141,376,967	166,095,719
\$75,000 under \$100,000	702,064	822,840	59,748,095	70,011,841	46,720,423	54,345,021
\$100,000 under \$150,000	432,757	469,391	51,674,638	56,206,333	40,228,978	43,403,109
\$150,000 under \$200,000	138,082	152,560	23,616,649	26,170,484	18,710,797	20,312,767
\$200,000 under \$300,000	93,033	108,379	22,323,087	26,016,239	17,807,227	20,642,936
\$300,000 under \$500,000	47,245	53,960	17,650,665	20,144,746	14,153,358	15,959,347
\$500,000 under \$1,000,000	20,681	25,469	13,830,843	17,173,250	11,042,159	13,706,293
\$1,000,000 or more	8,408	10,800	18,769,578	24,358,715	14,888,860	19,726,601

Size of adjusted gross income	Total income tax ¹		Percent of filers with no income tax liability		Filers with income tax liability			
					Average tax (whole dollars)		Tax as percent of adj. gross inc.	
	1982	1983	1982	1983	1982	1983	1982	1983
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total	277,597,301	274,181,323	19.2	19.0	3,604	3,514	15.4	14.5
Less than \$1,000	130,288	127,789	99.6	99.7	9,298 ²	13,249	-	-
\$1,000 under \$3,000	35,182	51,414	95.0	93.4	92	108	5.0	5.7
\$3,000 under \$5,000	475,448	409,533	41.9	42.0	117	99	2.8	2.4
\$5,000 under \$7,000	1,473,139	1,310,055	31.4	33.7	321	293	5.4	4.9
\$7,000 under \$9,000	2,967,854	2,603,057	20.7	21.2	521	480	6.5	6.0
\$9,000 under \$11,000	4,462,848	3,888,167	6.8	8.3	746	684	7.4	6.8
\$11,000 under \$13,000	5,566,452	5,012,113	4.0	4.2	1,026	914	8.6	7.6
\$13,000 under \$15,000	7,002,695	6,066,527	2.3	2.7	1,324	1,208	9.5	8.6
\$15,000 under \$17,000	7,766,398	6,809,411	1.5	2.4	1,665	1,518	10.4	9.5
\$17,000 under \$19,000 M	7,786,372	7,664,811	1.8	1.6	2,001	1,816	11.1	10.1
\$19,000 under \$22,000	12,725,118	12,163,958	1.2	1.2	2,399	2,192	11.7	10.7
\$22,000 under \$25,000	15,378,094	13,595,791	1.3	1.3	2,956	2,692	12.6	11.5
\$25,000 under \$30,000	27,852,640	24,354,551	.6	.8	3,676	3,338	13.4	12.2
\$30,000 under \$35,000	25,867,035	25,156,554	.5	.6	4,605	4,208	14.2	13.0
\$35,000 under \$40,000	24,098,091	22,673,889	.5	.8	5,743	5,182	15.4	13.9
\$40,000 under \$50,000	35,029,801	34,798,186	.5	.4	7,468	6,787	16.9	15.3
\$50,000 under \$75,000	35,892,383	38,352,897	.5	.4	11,803	10,725	20.1	18.2
\$75,000 under \$100,000	14,594,818	15,392,973	.4	.3	20,865	18,770	24.5	22.1
\$100,000 under \$150,000	14,385,740	14,351,743	.2	.4	33,321	30,690	27.9	25.6
\$150,000 under \$200,000	7,483,155	7,662,455	.5	.3	54,447	50,365	31.8	29.4
\$200,000 under \$300,000	7,651,434	8,488,945	.2	.2	82,400	78,513	34.3	32.7
\$300,000 under \$500,000	6,380,687	7,124,258	.1	.2	135,233	132,313	36.2	35.4
\$500,000 under \$1,000,000	5,222,845	6,463,482	.1	.2	252,751	254,228	37.8	37.7
\$1,000,000 or more	7,368,787	9,658,764	.1	.3	877,132	896,655	39.3	39.8

M - The median taxpayer was at this income level for both 1982 and 1983.
 See notes following Table 13.

Table 4.—Nonfarm Sole Proprietorship Returns: Selected Income and Deduction Items for Selected Years, 1970-1983
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1970	1975	1980	1981	1982	1983
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns, total	5,769,741	7,221,346	8,931,712 ¹	9,584,790 ¹	10,105,515 ¹	10,703,921 ¹
Number with net income	n.a.	n.a.	n.a.	6,534,688	6,761,405	7,390,395
Inventory, end of year	11,060,775	15,578,040	21,996,236	22,921,503	21,804,915	n.a.
Business receipts, total	198,582,172	273,954,741	411,205,713	427,063,055	433,664,897	465,168,637
Income from sales and operations ..	n.a.	272,342,560	407,169,299	421,700,025	428,311,840	455,382,492
Total deductions	168,044,746	234,318,288	356,258,495	373,991,426	383,091,734	404,808,647
Cost of goods sold/operations	109,148,811	146,261,435	209,889,809	209,723,950	205,471,499	212,631,063
Purchases	88,585,913	117,722,352	168,301,517	167,751,431	161,295,256	n.a.
Cost of labor	7,704,285	8,791,083	10,922,221	10,923,120	11,424,639	9,870,673
Materials and supplies	6,216,057	9,090,638	12,909,222	12,081,423	12,735,789	n.a.
Commissions	1,274,016	2,225,830	3,333,345	3,539,844	4,464,026	n.a.
Salaries and wages	15,107,047	20,227,859	26,560,821	28,749,357	30,403,121	31,665,698
Car and truck expenses	n.a.	n.a.	13,378,289	12,358,478	n.a.	14,758,472
Rent paid	4,636,528	6,676,314	9,636,290	10,715,102	11,797,053	11,830,835
Repairs	2,444,607	3,044,175	5,031,573	5,414,156	6,006,403	n.a.
Taxes paid	3,775,502	5,423,961	7,672,459	6,661,054	7,747,540	n.a.
Utilities	n.a.	n.a.	4,790,337	8,275,517	n.a.	n.a.
Insurance	2,309,608	3,503,812	6,003,126	6,238,704	6,448,494	n.a.
Interest paid	1,784,276	3,390,845	7,190,257	9,052,338	10,143,489	9,925,746
Depreciation	5,451,525	7,958,143	13,952,703	15,854,513	19,121,559	22,069,530
Pension and profit sharing plans ..	72,741	125,296	141,463	152,588	136,359	122,915
Net income (less loss)	30,537,426	36,636,453	54,947,219	53,071,628	50,573,164	60,359,153
Net income, businesses w/profit ...	33,735,732	45,624,890	68,010,051	68,552,791	68,647,384	78,618,410
Net loss, businesses w/o profit ...	3,198,306	5,988,437	13,062,832	15,481,162	18,094,220	18,259,256

See notes following Table 13.

Table 5.—Partnership Returns: Selected Income Statement and Balance Sheet Items for Selected Years, 1970-1983
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1970	1975	1980	1981	1982	1983
	(1)	(2)	(3)	(4)	(5)	(6)
Total number of active partnerships ..	936,133	1,073,094	1,379,654	1,460,502	1,514,212	1,541,539
Number with net income	639,795	661,134	774,173	749,222	791,117	783,968
Number with balance sheets	555,741	783,271	1,194,236	1,193,792	1,217,386	1,190,696
Number of partners	3,697,818	4,950,634	8,419,899	9,448,361	9,764,667	10,589,338
Total assets ¹	116,752,751	235,468,301	597,503,923	715,232,726	845,281,449	886,992,767
Buildings/depreciable assets (net) ..	n.a.	113,124,969	239,139,823	367,270,152	310,846,376	485,402,717
Inventories, end of year	n.a.	11,985,431	33,218,272	59,649,950	100,728,688	n.a.
Land	n.a.	36,731,958	70,241,248	76,336,446	84,820,308	98,427,459
Total liabilities	n.a.	193,875,629	488,734,023	580,033,757	701,630,766	886,992,774
Accounts payable	n.a.	12,302,055	33,899,048	29,092,451	37,254,748	34,724,772
Short-term debt ²	n.a.	22,709,476	48,001,839	55,691,914	73,277,805	67,294,519
Long-term debt ³	n.a.	136,296,764	178,044,406	196,508,937	236,218,378	268,268,458
Nonrecourse loans	n.a.	n.a.	118,910,380	138,134,304	154,508,961	194,828,542
Partners' capital accounts	n.a.	41,592,672	108,769,900	135,198,969	143,650,646	141,839,683
Total receipts ⁴	93,348,080	148,417,529	291,998,115	272,129,807	296,690,303	291,318,703
Business receipts ⁴	90,208,834	142,505,781	271,108,832	230,027,336	251,608,987	243,248,370
Interest received ⁴	942,304	2,477,173	10,869,323	13,772,559	15,259,801	15,006,055
Total deductions ⁴	83,557,684	140,679,959	283,749,460	274,864,704	304,004,833	298,928,744
Cost of goods sold/operations	46,040,874	64,672,843	113,885,668	130,043,609	144,595,111	125,330,745
Purchases	31,820,581	42,608,734	70,439,607	92,136,914	96,111,197	n.a.
Cost of labor	4,146,927	4,585,836	7,015,547	5,835,683	7,183,865	n.a.
Salaries and wages ⁴	8,129,233	12,489,039	22,336,337	21,136,914	23,204,883	24,733,780
Taxes paid	3,159,258	5,770,918	9,553,145	5,040,336	5,288,971	5,909,545
Interest paid ⁴	4,470,206	12,097,100	28,362,385	19,586,018	21,517,044	22,364,264
Depreciation ^{4,5}	4,578,820	10,108,834	21,576,189	27,263,184	32,361,640	37,340,062
Net income (less loss)	9,790,396	7,737,570	8,248,655	-2,734,897	-7,314,587	-2,610,041
Net income, businesses w/profit	14,419,124	22,431,931	45,061,756	50,567,190	53,556,856	60,308,114
Net loss, businesses w/o profit	4,628,728	14,694,361	36,813,100	53,302,086	60,871,442	62,918,155

See notes following Table 13.

Table 6.—Number of Business Income Tax Returns, by Size of Receipts and Assets, for Selected Years, 1970-1983
 [All figures are estimates based on samples — number of businesses are in thousands]

Size of business	Number of businesses reporting					
	1970	1975	1980	1981	1982	1983
	(1)	(2)	(3)	(4)	(5)	(6)
CORPORATIONS						
Receipt size ¹						
Under \$25,000 ²	451.9	468.9	557.0	585.3	620.0	n. a.
\$25,000 - \$49,999	170.7	186.4	207.7	210.2	217.5	n. a.
\$50,000 - \$99,999	219.8	260.7	322.7	311.5	324.7	n. a.
\$100,000 - \$199,999			558.4	569.1	593.4	n. a.
\$200,000 - \$499,999	516.9	673.9	367.3	404.4	427.9	n. a.
\$500,000 - \$999,999	141.1	184.2	279.8	291.6	296.0	n. a.
\$1,000,000 or more	165.0	249.5	417.7	440.3	446.4	n. a.
Asset size						
Under \$100,000 ³	961.0	1,177.7	1,514.6	1,569.5	1,646.6	1,665.7 _p
\$100,000 - \$1 million	599.1	704.6	968.9	1,004.1	1,033.5	1,075.0 _p
\$1 million - \$10 million	87.0	116.4	191.8	201.2	206.5	218.4 _p
\$10 million - \$25 million	9.8	12.2	16.6	17.5	18.3	18.5 _p
\$25 million - \$50 million	3.9	5.6	7.8	8.4	8.9	8.8 _p
\$50 million - \$100 million	2.1	3.1	4.8	5.2	5.5	5.6 _p
\$100 million - \$250 million	1.4	2.1	3.2	3.4	3.5	3.6 _p
\$250 million and over	1.2	1.9	2.9	3.1	3.2	3.5 _p
PARTNERSHIPS						
Receipt size ¹						
Under \$25,000	501.7	549.7	638.0	748.2	758.8 ⁴	763.4 ⁴
\$25,000 - \$49,999	125.2	141.0	181.8	163.6	178.1	173.4
\$50,000 - \$99,999	119.6	133.7	183.6	180.2	190.6	203.7
\$100,000 - \$199,999	97.2	114.0	155.2	147.1	155.0	154.2
\$200,000 - \$499,999	65.2	90.6	135.6	131.3	137.8	143.7
\$500,000 - \$999,999	17.0	25.5	48.1	50.8	52.1	56.0
\$1,000,000 or more	10.3	18.6	37.4	39.2	41.9	46.4
Asset size ⁵						
Under \$25,000	635.7	611.0	541.9	612.5	350.6	360.1
\$25,000 - \$49,999	80.8	105.9	156.3	154.6	143.8	115.5
\$50,000 - \$99,999	73.5	106.8	180.2	173.6	186.9	164.6
\$100,000 - \$249,999	74.7	116.0	219.1	211.5	209.6	207.0
\$250,000 - \$499,999	33.8	56.9	117.9	122.0	132.2	131.2
\$500,000 - \$999,999	19.3	35.3	72.1	83.4	83.7	86.3
\$1,000,000 or more	18.3	41.2	92.2	103.0	115.9	125.8
NONFARM SOLE PROPRIETORSHIPS						
Receipt size						
Under \$2,500	1,894.3	2,299.9	2,783.1	n. a.	2,882.0	2,908.5
\$2,500 under \$5,000	815.1	959.4	1,158.6	n. a.	1,220.9	1,313.9
\$5,000 under \$10,000	891.5	1,041.7	1,262.9	n. a.	1,361.4	1,452.3
\$10,000 under \$25,000	1,137.4	1,325.7	1,711.8	n. a.	1,738.5	1,916.6
\$25,000 under \$50,000	746.4	849.5	1,079.1	n. a.	1,117.1	1,187.0
\$50,000 under \$100,000	562.0	644.5	835.6	n. a.	843.6	919.3
\$100,000 under 200,000	297.4	380.9	795.8	n. a. }	838.3	888.7
\$200,000 under \$500,000	122.3	209.2		n. a. }		
\$500,000 under \$1,000,000	20.8	35.3	73.9	n. a.	68.1	82.9
\$1,000,000 or more	6.6	13.5	29.2	n. a.	35.6	34.9

See notes following Table 13.

Table 7.—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division for Selected Years, 1970-1982

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

Industrial division and items	1970	1975	1979	1980	1981	1982
	(1)	(2)	(3)	(4)	(5)	(6)
AGRICULTURE, FORESTRY AND FISHING						
Number of returns, total	37,283	56,280	76,643	80,883	85,370	91,320
Number with net income	19,843	33,328	46,683	43,827	44,948	47,858
Total assets	11,909,403	21,177,941	36,265,804	40,738,977	46,081,067	50,409,537
Total liabilities	7,897,335	14,332,992	24,775,572	29,278,042	32,492,648	36,289,615
Total receipts	14,277,707	28,118,514	50,986,876	52,089,915	65,061,959	65,356,911
Business receipts	13,591,763	26,624,149	48,367,354	48,850,056	60,907,045	60,643,550
Interest received	69,742	171,732	349,252	476,654	751,553	758,699
Total deductions	14,209,713	27,369,286	49,751,856	51,418,280	64,735,599	65,442,003
Cost of sales and operations	10,555,539	19,738,447	36,226,280	35,798,332	45,552,234	43,222,379
Interest paid	356,225	797,420	1,592,102	2,184,441	2,738,463	3,048,844
Net income (less loss)	65,295	746,908	1,239,718	673,158	328,308	-86,418
Net income, businesses w/profit	493,400	1,493,168	2,469,480	2,464,381	2,551,988	2,528,479
Deficit, businesses w/o profit	428,105	746,260	1,229,762	1,791,222	2,223,679	2,614,897
Income tax before credits	113,115	351,059	501,397	533,768	543,280	490,228
Total income tax after credits ¹	107,023	294,584	365,106	422,282	414,448	375,422
Distributions to stockholders except in own stock	65,824	244,524	326,037	304,733	512,027	409,070
MINING						
Number of returns, total	14,465	14,242	24,296	25,576	33,363	36,676
Number with net income	7,303	8,297	11,259	12,698	17,634	15,950
Total assets	23,972,812	64,505,341	115,530,163	126,947,880	168,908,241	192,380,473
Total liabilities	10,590,991	31,739,651	64,248,721	72,879,732	98,442,207	112,503,993
Total receipts	17,747,750	65,909,994	132,926,563	176,672,390	200,194,751	203,098,557
Business receipts	16,699,586	63,670,496	127,833,110	167,397,918	189,552,446	191,152,749
Interest received	176,728	522,757	959,329	1,301,266	2,432,908	2,695,216
Total deductions	15,927,348	42,348,765	89,992,366	169,051,624	195,021,576	203,045,736
Cost of sales and operations	9,955,600	30,171,612	60,477,876	116,989,880	150,193,394	151,521,066
Interest paid	388,032	1,166,182	2,769,022	3,440,080	6,051,461	7,623,777
Net income (less loss)	1,834,315	23,574,833	43,063,340	7,750,561	5,620,746	543,578
Net income, businesses w/profit	2,399,507	24,347,893	44,911,264	10,133,685	10,611,609	8,429,100
Deficit, businesses w/o profit	565,192	773,060	1,571,455	2,383,124	4,990,863	7,885,522
Income tax before credits	1,031,550	11,361,037	20,098,354	3,947,569	4,119,612	3,203,406
Total income tax after credits ¹	342,928	1,051,138	1,212,267	1,672,492	1,685,491	1,044,556
Distributions to stockholders except in own stock	1,177,550	1,015,895	3,215,842	4,757,780	3,278,771	3,926,230
CONSTRUCTION						
Number of returns, total	138,905	191,219	259,213	272,432	276,395	282,345
Number with net income	82,078	108,852	162,732	150,368	145,206	138,783
Total assets	42,719,792	76,691,947	125,420,947	132,939,026	150,764,144	153,085,046
Total liabilities	30,900,188	57,662,870	95,369,236	100,112,852	113,695,252	114,150,550
Total receipts	90,610,644	146,955,117	258,723,850	267,205,356	280,172,375	281,747,868
Business receipts	88,945,385	143,412,715	252,702,613	260,387,692	270,543,236	271,633,721
Interest received	219,698	614,583	1,394,177	2,073,650	3,122,737	3,137,599
Total deductions	89,070,022	144,717,309	252,709,644	262,116,275	276,744,601	279,555,128
Cost of sales and operations	73,434,969	116,845,554	204,421,609	208,064,925	214,612,975	212,698,363
Interest paid	711,496	1,973,244	3,536,998	4,278,502	5,318,285	5,455,056
Net income (less loss)	1,538,418	2,236,262	6,136,913	5,271,209	3,455,058	2,323,952
Net income, businesses w/profit	2,548,013	4,514,864	9,117,112	8,911,143	8,295,947	8,106,061
Deficit, businesses w/o profit	1,009,595	2,278,602	2,980,199	3,639,934	4,840,889	5,782,109
Income tax before credits	776,979	1,320,196	2,550,908	2,521,507	2,316,708	2,069,718
Total income tax after credits ¹	756,637	1,131,960	1,824,890	1,973,614	1,868,113	1,578,992
Distributions to stockholders except in own stock	299,204	464,553	697,637	793,764	889,557	916,690
MANUFACTURING						
Number of returns, total	197,807	217,354	241,795	242,550	251,294	259,106
Number with net income	120,814	136,839	164,605	153,640	149,964	146,415
Total assets	612,912,516	944,581,970	1,533,494,376	1,709,471,700	1,933,710,383	2,060,710,683
Total liabilities	303,989,223	501,994,296	856,041,068	960,284,926	1,085,493,079	1,163,839,539
Total receipts	722,952,890	1,296,359,650	2,166,399,886	2,404,323,844	2,613,512,581	2,488,331,915
Business receipts	700,090,661	1,258,338,650	2,086,220,228	2,301,056,550	2,487,695,859	2,357,973,059
Interest received	4,748,499	8,691,092	21,355,133	28,315,784	38,848,407	38,134,480
Total deductions	692,455,462	1,230,689,496	2,045,448,376	2,290,593,808	2,509,134,569	2,423,254,936
Cost of sales and operations	495,879,549	925,111,030	1,533,327,048	1,707,143,900	1,822,985,043	1,660,537,002
Interest paid	12,570,242	22,055,903	41,587,856	54,177,356	73,084,336	79,322,435
Net income (less loss)	31,846,078	68,406,627	130,791,918	125,667,815	116,775,393	75,791,264
Net income, businesses w/profit	37,925,489	74,466,554	140,223,449	141,547,510	138,215,539	108,170,744
Deficit, businesses w/o profit	6,079,411	6,059,927	9,431,531	15,879,695	21,440,146	32,379,481
Income tax before credits	16,744,905	32,306,739	58,668,112	59,577,413	58,820,480	45,015,096
Total income tax after credits ¹	13,242,226	21,024,964	35,059,349	32,701,861	30,115,496	26,616,529
Distributions to stockholders except in own stock	14,616,282	19,973,061	38,321,486	37,306,509	41,434,134	43,912,134

Table 7. (Continued)—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items by Industrial Division for Selected Years, 1970-1982
 [All figures are estimates based on samples—money amounts are in thousands of dollars]

Industrial division and items	1970	1975	1979	1980	1981	1982
	(1)	(2)	(3)	(4)	(5)	(6)
TRANSPORTATION AND PUBLIC UTILITIES						
Number of returns, total	67,398	80,701	106,824	111,324	109,127	115,470
Number with net income	38,204	45,360	61,583	62,232	56,480	59,793
Total assets	287,740,207	443,236,797	676,186,972	758,364,400	837,300,816	919,861,069
Total liabilities	166,535,185	266,792,390	411,531,388	467,708,707	516,438,230	566,980,444
Total receipts	135,495,271	243,480,637	448,140,811	523,807,396	598,507,994	632,294,442
Business receipts	131,463,171	234,689,427	434,427,319	507,372,820	575,602,089	606,039,657
Interest received	930,266	1,520,913	4,067,665	5,760,072	8,048,746	9,138,892
Total deductions	127,931,131	233,409,166	429,849,123	503,954,285	579,172,068	614,397,320
Cost of sales and operations ...	77,743,359	143,932,463	284,041,578	336,868,172	358,354,512	338,796,961
Interest paid	7,364,200	13,761,062	21,631,167	27,638,591	34,085,384	36,839,460
Net income (less loss)	7,543,718	10,099,571	18,462,903	20,046,155	19,573,717	18,335,959
Net income, businesses w/profit..	9,471,595	12,088,189	22,058,598	24,917,293	25,739,287	27,378,633
Deficit, businesses w/o profit..	1,927,877	1,988,618	3,595,695	4,871,138	6,165,570	9,042,673
Income tax before credits	4,342,334	5,107,158	9,115,461	10,532,722	10,481,203	11,356,073
Total income tax after credits ¹ ...	4,036,650	2,836,470	4,834,026	5,322,990	5,065,529	4,925,936
Distributions to stockholders except in own stock	5,837,565	8,900,353	15,275,029	17,329,807	19,622,705	21,438,500
WHOLESALE AND RETAIL TRADE						
Number of returns, total	518,062	614,632	776,661	799,628	816,836	839,547
Number with net income	339,987	399,668	502,947	487,300	476,877	468,108
Total assets	192,181,800	323,496,726	573,310,389	646,901,005	708,060,408	753,351,132
Total liabilities	115,179,668	200,846,992	376,719,434	424,611,318	472,256,895	501,934,034
Total receipts	522,547,923	969,938,872	1,750,559,063	1,955,523,778	2,039,628,384	2,017,701,364
Business receipts	511,316,883	951,463,550	1,711,773,627	1,919,347,689	1,997,262,710	1,972,305,356
Interest received	1,291,906	3,857,318	8,243,949	10,503,989	14,319,277	14,373,589
Total deductions	512,910,193	947,511,780	1,711,496,089	1,919,454,218	2,006,891,471	1,989,739,286
Cost of sales and operations ...	392,391,856	745,299,204	1,361,550,632	1,538,128,634	1,594,256,679	1,556,263,179
Interest paid	4,309,663	8,587,173	19,931,751	25,645,855	30,997,865	30,429,310
Net income (less loss)	9,671,044	22,489,430	40,242,601	38,309,671	33,320,403	28,442,678
Net income, businesses w/profit..	12,395,411	27,681,721	48,246,345	49,426,500	47,657,374	45,747,936
Deficit, businesses w/o profit..	2,724,367	5,192,291	8,003,744	11,116,829	14,336,971	17,305,258
Income tax before credits	4,476,047	8,103,316	13,313,992	13,515,653	12,329,212	11,372,087
Total income tax after credits ¹ ...	4,237,181	7,348,619	10,772,309	10,550,255	10,282,598	9,379,328
Distributions to stockholders except in own stock	2,068,501	5,029,897	8,821,280	10,343,087	10,034,841	12,069,015
FINANCE, INSURANCE AND REAL ESTATE						
Number of returns, total	406,235	411,846	471,227	493,426	469,795	461,630
Number with net income	248,586	243,409	281,195	273,853	258,622	252,689
Total assets	1,401,153,520	2,321,965,956	3,630,045,296	4,022,206,073	4,486,191,441	4,987,466,401
Total liabilities	1,204,673,072	2,052,195,429	3,187,436,102	3,491,664,756	3,830,001,863	4,220,527,191
Total receipts	177,321,173	315,795,981	560,968,442	697,460,846	877,808,946	949,867,877
Business receipts	92,091,887	157,126,715	254,722,667	256,892,475	330,631,846	337,493,098
Interest received	63,694,046	127,040,303	250,979,245	315,146,115	421,159,015	456,333,537
Total deductions	161,630,060	297,963,817	514,086,140	652,637,787	838,764,803	915,164,762
Cost of sales and operations ...	48,434,362	84,614,209	123,367,688	129,644,330	162,447,596	169,435,694
Interest paid	34,548,509	77,677,659	164,365,541	219,167,684	314,128,780	340,960,344
Net income (less loss)	12,214,079	11,663,330	37,011,262	33,122,792	26,346,494	21,804,088
Net income, businesses w/profit..	15,081,939	18,825,003	43,275,518	46,040,390	53,018,005	57,745,075
Deficit, businesses w/o profit..	2,867,860	7,161,673	6,264,256	12,917,599	26,671,510	35,940,986
Income tax before credits	4,404,449	5,558,647	11,595,112	9,680,755	7,968,422	7,643,631
Total income tax after credits ¹ ...	4,150,009	4,673,705	9,601,617	7,698,134	6,037,489	5,497,997
Distributions to stockholders except in own stock	7,387,211	8,729,977	18,348,769	24,692,146	41,998,295	46,504,963
SERVICES						
Number of returns, total	281,218	435,672	609,103	671,338	752,813	819,706
Number with net income	150,525	249,641	364,156	408,716	441,100	472,799
Total assets	61,875,140	90,534,067	153,219,483	178,163,737	213,724,531	237,876,895
Total liabilities	42,346,078	63,678,693	108,132,469	125,298,224	152,673,683	170,091,510
Total receipts	69,572,626	131,377,364	244,542,893	279,883,187	346,846,723	380,767,394
Business receipts	66,459,515	125,747,462	234,497,897	266,088,619	328,053,889	355,090,610
Interest received	435,070	875,506	2,196,467	3,269,412	4,696,008	5,120,807
Total deductions	68,384,452	127,996,443	236,359,966	271,792,974	338,790,049	373,717,841
Cost of sales and operations ...	37,733,747	63,724,869	117,057,522	129,352,692	157,886,393	135,273,962
Interest paid	1,802,802	3,279,438	6,082,021	8,033,612	10,472,892	11,265,412
Net income (less loss)	1,198,703	3,396,744	8,252,805	8,193,903	8,197,916	7,199,258
Net income, businesses w/profit..	3,384,869	6,025,592	12,060,033	13,246,601	15,182,552	16,061,222
Deficit, businesses w/o profit..	2,186,166	2,628,848	3,807,228	5,052,698	6,984,635	8,861,964
Income tax before credits	1,058,264	1,625,093	3,276,011	3,497,265	4,029,725	3,885,618
Total income tax after credits ¹ ...	1,003,130	1,323,637	2,419,382	2,613,888	2,943,149	2,617,390
Distributions to stockholders except in own stock	558,452	855,402	1,816,177	1,841,945	2,491,324	3,269,285

See notes following Table 13.

Selected Statistical Series, 1970-85

Table 8.—Corporation Income Tax Returns: Selected Balance Sheet, Income Statement, and Tax Items for Selected Years, 1970-1982

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

Item	1970	1975	1979	1980	1981	1982
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns, total	1,665,477	2,023,647	2,577,801	2,710,538	2,812,420	2,925,933
Number with net income	1,008,337	1,226,208	1,599,322	1,596,632	1,597,298	1,608,363
Small Business Corp. returns	257,475	358,413	518,550	545,389	541,489	564,219
DISC returns	N/A	6,431	8,066	8,665	9,408	9,663
Total assets	2,634,706,564	4,286,556,273	6,844,891,231	7,617,238,403	8,547,161,872	9,357,784,804
Notes and acc'ts receivable	614,667,376	1,051,542,806	1,817,469,863	1,984,601,790	2,239,832,960	2,420,475,398
Inventories	190,401,642	317,718,545	504,315,590	534,806,547	588,219,956	581,241,455
Investments in Gov't obligations ...	196,625,390	316,131,699	421,441,738	472,059,737	514,837,697	605,513,662
Net capital assets, except land ¹ ...	552,838,384	825,107,002	1,264,872,322	1,418,605,742	1,591,843,868	1,761,860,557
Total liabilities	1,882,295,401	3,189,491,468	5,125,337,041	5,672,850,147	6,303,221,090	6,888,211,820
Accounts payable	148,812,597	263,417,584	482,558,295	542,172,368	619,969,292	678,630,282
Short-term debt ²	170,884,261	272,123,551	452,958,194	504,802,288	585,947,678	667,060,956
Long-term debt ²	362,700,303	586,703,526	885,515,693	986,663,932	1,058,070,877	1,224,277,725
Net worth	752,411,163	1,097,064,806	1,719,554,190	1,944,388,256	2,243,940,782	2,469,572,984
Total receipts	1,750,776,503	3,198,627,860	5,615,625,519	6,361,284,012	7,026,351,839	7,024,097,766
Business receipts	1,620,885,576	2,961,729,640	5,152,613,019	5,731,616,337	6,244,678,064	6,156,994,009
Interest on Gov't obligations	9,687,116	17,264,405	30,420,365	38,061,592	50,519,552	n.a.
State and Local	3,775,917	6,711,606	10,878,916	12,620,876	13,881,460	14,124,877
United States	5,911,199	10,552,799	19,541,449	25,440,716	36,638,092	515,628,874
Other interest	61,883,309	126,034,505	259,146,298	328,802,958	442,918,194	83,051,513
Rents and royalties	16,524,889	26,932,271	40,303,671	53,821,391	67,522,636	
Net short-term capital gain less net long-term capital loss	190,439	301,601	1,209,842	2,013,510	2,178,572	2,882,207
Net long-term capital gain less net short-term capital loss	5,481,580	8,364,523	20,005,538	24,910,957	29,064,630	26,318,184
Net gain, sales of noncap. assets ..	5,315,562	7,757,287	15,397,176	20,117,615	16,639,271	20,992,023
Dividends received from domestic corporations	5,238,421	8,818,282	16,863,766	18,654,800	17,442,112	18,155,559
Dividends received from foreign corporations	3,466,515	5,467,726	12,715,084	14,563,353	13,790,320	13,950,906
Total deductions	1,682,778,847	3,052,674,597	5,331,970,825	6,125,365,155	6,813,841,356	6,869,267,462
Cost of sales and operations	1,146,263,273	2,129,928,467	3,721,782,971	4,204,905,905	4,509,198,199	4,270,850,310
Bad debts	6,479,814	13,781,147	17,486,107	18,769,771	22,286,815	26,690,963
Taxes paid	49,523,243	81,530,302	128,172,063	163,003,622	170,470,926	165,888,353
Interest paid	62,055,010	129,307,921	261,530,850	344,612,542	476,964,684	515,032,667
Contributions or gifts	797,029	1,202,130	2,294,755	2,358,554	2,514,425	2,906,476
Depreciation	52,941,266	86,295,664	138,490,396	157,345,828	186,195,048	213,179,160
Depletion	5,623,339	5,341,489	7,828,973	8,871,993	7,929,396	7,021,176
Pension, profit-sharing, stock bonus, and annuity plans	12,225,912	26,526,129	46,583,431	51,529,310	52,952,583	54,232,011
Net loss, sales of noncap. assets ..	1,289,305	1,804,079	4,074,858	5,903,104	7,943,607	10,367,020
Net income (less loss)	65,901,614	142,636,826	285,300,630	239,006,542	213,648,962	154,334,143
Net income, businesses w/profit	83,710,924	169,483,336	322,517,550	296,787,201	301,440,778	274,352,942
Net loss, businesses w/o profit	17,809,310	26,846,510	37,216,920	57,780,659	87,791,816	120,018,799
Income subject to tax	72,374,437	146,589,287	280,155,155	246,598,486	240,422,626	205,175,407
Income tax before credits ³	32,949,937	65,769,822	119,157,964	103,831,172	100,644,417	85,077,493
Tax credits, total	5,414,940	26,452,791	54,229,274	42,167,741	43,813,131	39,694,245
Foreign tax credit	4,548,986	19,987,724	36,828,057	24,861,315	21,828,686	19,137,201
Possessions tax credit	N/A	N/A	1,376,124	1,565,681	1,945,637	2,026,980
Investment credit	865,954	6,459,746	14,678,306	15,102,812	18,887,286	17,312,702
Jobs credit	N/A	N/A	1,318,837	601,444	472,895	327,285
Research credit	N/A	N/A	N/A	N/A	639,302	839,220
Income tax after credits ³	27,534,997	39,317,031	64,928,690	61,663,431	56,831,286	45,383,248
Additional tax for tax preferences ...	265,249	156,740	433,649	438,820	524,851	478,457
Total income tax	27,878,078	39,691,517	66,120,672	62,974,695	58,444,720	47,071,909
Distributions to stockholders, except in own stock	32,012,677	45,224,392	86,833,911	97,378,617	120,295,338	132,478,411

See notes following Table 13.

Table 9.—Gross Internal Revenue Collections: Amount Collected by Quarter and Fiscal Year, 1981-1985
[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount collected by type of return					
	Total	Individual income taxes ¹	Corporation income taxes ²	Excise taxes ³	Employment taxes ⁴	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
FISCAL YEAR 1981 TOTAL	606,799	332,850	73,733	40,420	152,886	6,910
October 1980 - December 1980	118,804	67,081	14,527	7,305	28,193	1,698
January 1981 - March 1981	143,899	77,467	14,844	10,082	39,878	1,628
April 1981 - June 1981	196,970	108,600	29,204	11,963	45,510	1,692
July 1981 - September 1981	147,126	79,702	15,158	11,069	39,304	1,893
FISCAL YEAR 1982 TOTAL	632,241	352,609	65,991	36,779	168,718	8,143
October 1981 - December 1981	137,570	71,526	15,898	10,577	37,654	1,915
January 1982 - March 1982	154,128	85,930	14,722	9,426	41,751	2,299
April 1982 - June 1982	196,506	113,852	23,115	8,389	49,165	1,986
July 1982 - September 1982	144,036	81,301	12,256	8,387	40,148	1,943
FISCAL YEAR 1983 TOTAL	627,247	349,628	61,780	35,766	173,848	6,226
October 1982 - December 1982	132,205	70,312	13,404	8,498	38,404	1,588
January 1983 - March 1983	150,019	86,853	11,494	8,222	41,930	1,519
April 1983 - June 1983	194,431	111,721	22,027	8,947	50,219	1,516
July 1983 - September 1983	150,591	80,742	14,855	10,097	43,294	1,602
FISCAL YEAR 1984 TOTAL	680,475	362,892	74,179	38,017	199,210	6,177
October 1983 - December 1983	141,849	73,379	16,208	9,654	41,132	1,476
January 1984 - March 1984	164,681	89,316	14,337	8,862	50,545	1,622
April 1984 - June 1984	208,814	114,525	25,990	9,680	57,061	1,558
July 1984 - September 1984	165,131	85,672	17,644	9,822	50,472	1,521
FISCAL YEAR 1985 TOTAL	742,871	396,659	77,413	37,005	225,214	6,580
October 1984 - December 1984	155,919	79,775	17,546	9,732	47,286	1,580
January 1985 - March 1985	176,324	89,325	17,350	8,650	59,352	1,647
April 1985 - June 1985	233,946	136,141	24,843	9,013	62,313	1,636
July 1985 - September 1985	176,682	91,418	17,674	9,610	56,263	1,717

See notes following Table 13.

Table 10.—Internal Revenue Refunds: Amounts Refunded by Quarter and Fiscal Year, 1981-1985
[Money amounts are in millions of dollars]

Quarter and fiscal year	Amount refunded by type of return					
	Total	Individual income taxes ¹	Corporation income taxes ²	Excise taxes ³	Employment taxes ⁴	Estate and gift taxes
	(1)	(2)	(3)	(4)	(5)	(6)
FISCAL YEAR 1981 TOTAL	63,303	48,409	13,294	343	1,114	143
October 1980 - December 1980	4,215	971	3,047	49	116	32
January 1981 - March 1981	21,988	18,285	3,627	76	99	39
April 1981 - June 1981	30,352	26,027	3,160	163	967	24
July 1981 - September 1981	6,749	3,125	3,400	55	128	40
FISCAL YEAR 1982 TOTAL	75,202	55,102	17,974	367	1,578	181
October 1981 - December 1981	5,530	1,347	3,920	42	185	37
January 1982 - March 1982	24,024	19,338	4,197	76	377	36
April 1982 - June 1982	35,793	30,481	4,298	163	796	54
July 1982 - September 1982	9,855	3,936	5,559	86	220	53
FISCAL YEAR 1983 TOTAL	89,761	61,198	26,012	492	1,849	208
October 1982 - December 1982	9,411	1,875	7,030	58	397	52
January 1983 - March 1983	23,928	16,548	6,838	108	372	62
April 1983 - June 1983	46,715	38,341	7,421	194	721	38
July 1983 - September 1983	9,705	4,434	4,723	133	359	56
FISCAL YEAR 1984 TOTAL	85,872	64,629	17,889	657	2,486	211
October 1983 - December 1983	7,201	2,064	4,548	195	325	69
January 1984 - March 1984	25,285	19,613	4,850	129	646	47
April 1984 - June 1984	44,859	38,161	5,452	230	968	47
July 1984 - September 1984	8,527	4,790	3,039	103	547	48
FISCAL YEAR 1985 TOTAL	86,320	66,908	16,725	892	1,605	190
October 1984 - December 1984	6,729	2,246	4,177	122	138	46
January 1985 - March 1985	17,664	12,808	4,286	91	439	40
April 1985 - June 1985	52,376	46,370	4,701	556	702	47
July 1985 - September 1985	9,551	5,484	3,561	123	326	57

See notes following Table 13.

Table 11.—Classes of Excise Taxes by Selected Fiscal Year, 1970-1985
 [Money amounts are in thousands of dollars]

Selected class of tax	Taxes collected by fiscal year					
	1970	1975	1980	1982	1984	1985
	(1)	(2)	(3)	(4)	(5)	(6)
ALCOHOL TAXES, TOTAL	4,746,382	5,350,858	5,704,768	5,459,810	5,402,467	5,398,100
Distilled spirits	3,501,538	3,865,162	3,945,377	3,634,519	3,566,482	3,520,697
Wine	163,337	177,113	211,538	218,987	319,920	305,966
Beer	1,081,507	1,308,583	1,547,853	1,606,303	1,516,064	1,571,436
TOBACCO TAXES, TOTAL	2,094,212	2,315,090	2,446,416	2,539,495	4,663,610	4,483,193
Cigarettes	2,036,101	2,261,116	2,402,857	2,499,046	4,623,288	4,448,916
Cigars	56,834	51,226	39,500	35,666	30,372	24,294
MANUFACTURERS EXCISE TAXES, TOTAL ..	6,683,061	5,516,611	6,487,421	6,382,900	10,107,930	10,020,574
Gasoline and lubricating oil ¹	3,517,586	4,071,465	4,326,549	4,320,856	9,020,413	9,062,630
Tires, tubes and tread rubber ²	614,795	697,660	682,624	668,902	423,315	242,923
Motor vehicles, bodies, parts ³	1,753,327	662,556	1,088,696	914,524	-14,777	N/A
Recreational products	53,427	84,946	136,521	158,054	132,448	166,666
Black Lung taxes	N/A	N/A	251,288	237,097	525,422	548,356
SPECIAL FUELS, AND RETAILERS TAXES, TOTAL ⁴	257,820	404,187	560,144	587,486	2,579,747	3,802,608
Diesel and special motor fuels	257,712	370,489	512,718	553,107	1,571,437	2,430,165
Trucks and buses	N/A	N/A	N/A	N/A	932,645	1,289,750
MISCELLANEOUS EXCISE TAXES, TOTAL ..	2,084,730	3,306,077	6,359,198	19,773,803	13,319,322	11,044,833
Telephone and teletype ⁵	1,469,562	2,023,744	1,117,834	998,503	2,034,965	2,307,607
Air transportation	250,802	850,567	1,748,837	1,326,829	2,456,712	2,589,818
Highway use tax	135,086	207,663	263,272	266,225	175,054	456,143
Foreign insurance ⁶	8,614	19,458	74,630	74,882	56,037	73,494
Exempt organization net investment income	N/A	63,828	65,280	84,045	146,806	136,153
Crude oil windfall profit	N/A	N/A	3,051,719	16,930,548	8,120,274	5,073,159
Environmental taxes (Superfund) ..	N/A	N/A	N/A	61,264	275,389	272,957

Selected class of tax	Fiscal year quarter ending					
	June 1984	Sept. 1984	Dec. 1984	Mar. 1985	June 1985	Sept. 1985
	(7)	(8)	(9)	(10)	(11)	(12)
ALCOHOL TAXES, TOTAL	1,349,855	1,441,480	1,298,724	1,239,795	1,238,983	1,620,598
Distilled spirits	880,320	867,837	888,691	859,709	752,229	1,020,068
Wine	60,189	107,108	109,603	60,328	58,927	81,341
Beer	409,346	466,535	300,430	319,758	427,826	519,189
TOBACCO TAXES, TOTAL	1,126,564	1,233,254	727,357	1,601,544	914,703	1,239,589
Cigarettes	1,116,732	1,222,152	719,345	1,593,363	907,627	1,228,581
Cigars	7,682	8,069	5,384	5,683	4,261	8,966
MANUFACTURERS EXCISE TAXES, TOTAL ..	2,327,656	2,247,879	2,551,347	2,547,693	2,651,955	2,299,302
Gasoline and lubricating oil ¹	2,107,117	2,242,842	2,300,865	2,321,565	2,389,356	2,050,740
Tires, tubes and tread rubber ²	50,255	51,343	51,738	51,885	64,634	74,666
Motor vehicles, bodies, parts ³	-3,496 ⁷	-218 ⁷	-2,325 ⁷	-236 ⁷	3,744	N/A
Recreational products	34,887	38,007	44,031	23,944	56,960	41,750
Black Lung taxes	136,044	139,651	152,577	138,546	125,087	132,146
SPECIAL FUELS AND RETAILERS TAXES, TOTAL ⁴	632,227	749,072	895,374	925,877	1,001,597	1,007,787
Diesel and special motor fuels	379,273	404,819	548,487	583,945	631,603	666,130
Trucks and buses, chassis, bodies, etc.	224,099	325,269	318,282	312,982	340,502	317,985
MISCELLANEOUS EXCISE TAXES, TOTAL ..	3,349,216	2,781,807	2,671,019	1,816,894	2,751,198	3,747,992
Telephone and teletype ⁵	333,386	625,417	521,220	530,468	649,170	606,749
Air transportation	592,508	677,897	647,672	640,055	683,413	618,678
Highway use tax	37,495	60,048	103,260	49,293	78,167	225,423
Foreign insurance ⁶	15,241	16,964	18,876	14,958	20,462	19,197
Exempt organization net investment income	58,289	54,794	14,655	11,537	58,396	51,566
Crude oil windfall profit	2,236,882	1,245,871	1,289,421	498,450	1,189,069	2,096,218
Environmental taxes (Superfund) ..	69,530	76,658	70,415	65,902	65,458	71,182

See notes following Table 13.

Table 12.—Selected Returns and Forms Filed During Selected Calendar Years, 1970-1985

Type of return or form	Calendar Year						
	Number Filed						1986 Projected
	1970	1975	1980	1983	1984	1985 (Preliminary)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Individual income ¹	77,281,384	84,026,785	93,194,916	95,701,801	96,651,754	101,093,500	104,134,600
Form 1040	77,143,251	61,450,279	55,360,030	59,580,123	61,185,893	65,280,000	66,931,000
Nonbusiness	68,129,351	51,377,153	43,957,141	46,631,876	47,411,432	51,445,000	52,261,000
Business	9,013,900	10,073,126	11,402,889	12,948,247	13,774,461	13,836,000	14,670,000
Schedule C	6,351,304	7,438,968	8,944,298	10,507,205	11,326,739	11,457,283	12,147,000
Schedule F	2,662,596	2,634,158	2,458,591	2,441,042	2,447,722	2,378,717	2,522,100
Form 1040A	N/A	22,462,776	37,692,282	21,045,266	19,590,110	18,950,000	19,837,000
Form 1040EZ	N/A	N/A	N/A	14,915,949	15,720,860	16,700,000	17,208,000
Corporation income:							
Form 1120	1,487,244	1,705,789	2,030,092	2,461,461	2,453,162	2,174,600	2,666,600
Form 1120A	N/A	N/A	N/A	N/A	N/A	383,800	400,000
Form 1120S	248,936	367,219	528,070	616,719	653,640	753,700	789,800
Partnership, Form 1065	991,904	1,132,839	1,401,567	1,613,493	1,675,605	1,782,200	1,854,800
Fiduciary, Form 1041 ²	1,149,445	1,558,570	1,876,392	2,019,483	2,021,954	2,061,800	2,088,900
Estate Tax, Forms 706 and 706NA ...	141,156	225,827	147,303	106,409	81,334	67,200	48,300
Gift Tax, Form 709	146,338	273,184	214,389	93,260	88,991	95,200	109,400
Exempt Organization:							
Form 990 ³	377,030	346,627	362,632	344,216	319,859	333,500	340,100
Form 990-PF	N/A	29,637	33,137	33,232	29,107	29,300	29,600
Form 990-T	5,041	19,683	23,455	25,598	25,115	26,900	27,700

See notes on following Table 13.

Table 13.—Taxpayers Receiving Assistance, Paid and Unpaid, by Tax Year of Return, 1982-1984
[Some estimates are based on samples—all data are in thousands]

Type of assistance	Tax Year		
	1982	1983	1984
	(1)	(2)	(3)
Returns with paid preparer signature ¹ :			
All returns	42,116	43,258	48,343
1040EZ	428	694	886
1040A	5,701	5,144	4,773
1040, total	35,987	37,421	42,684
1040 Business, total	9,191	9,563	12,203
Nonfarm	7,363	7,764	9,640
Farm	1,828	1,800	2,563
1040 Nonbusiness, total	26,796	27,858	30,481
With itemized deductions	15,334	16,475	20,197
Without itemized deductions	11,462	11,383	10,284
Assistance provided by IRS ² :			
Telephone inquiries	39,863	42,212	41,904
Recorded telephone information	1,855	3,406	8,307
Office walk-ins, information	8,586	8,963	8,144
Written inquiries	148	163	160
Special programs:			
Community classes and seminars (taxpayers assisted)	40	313	400
Volunteer Income Tax Assistance (VITA) (returns prepared)	266	285	295
Tax Counseling for the Elderly (returns prepared)	145	185	199

See notes on following page.

General notations

N/A - Not applicable

n.a. - Not available

p - Preliminary

r - Revised

Table 1

[1] The 1981 data for interest and dividends are before exclusion. The combined amount in adjusted gross income (after the exclusion) was \$178,097,705,000, reported on 34,144,410 returns.

[2] Includes total itemized deductions, charitable contributions for nonitemizers, and zero bracket amounts on nonitemized returns.

[3] Includes surcharge of \$2,018,078,000.

[4] Includes credits not shown separately below.

[5] For 1981 only, this was the 1.25 percent rate reduction credit applicable to all returns with income tax before credits.

[6] For Tax Year 1983, the alternative minimum tax was revised and the minimum tax was abolished. The revised alternative minimum tax starting with 1983 covered many of the tax preference items that had previously been subject to the minimum tax. Also, the alternative minimum tax rate was increased. (For 1983 and 1984, data on the former minimum tax could be reported on prior-year returns processed during the current-year filing period).

SOURCE: Statistics of Income--Individual Income Tax Returns, appropriate years. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of law changes.

Table 2

[1] Includes exemptions for age and blindness.

[2] Totals in Table 2 do not agree with Tables 1 and 3 because they were obtained from a different source. For purposes of Table 2:

- a. Number of returns by state include, in addition to Forms 1040, 1040A and 1040EZ filed by U.S. citizens and residents, Forms 1040NR filed by

nonresident aliens, as well as self-employment tax returns used in Puerto Rico and certain U.S. territories and possessions.

b. "Total tax" liability includes total income tax plus tax from recomputing prior-year investment credit, tax applicable to Individual Retirement Arrangements (IRA's), self-employment tax, social security tax on tip income, and certain other income-related taxes. Total tax is before reduction by earned income credit (see also footnote (c), below).

c. Earned income credit, available to certain low-income workers, could result in a refund (1) if there was no "total tax" (as defined in footnote (b), above), in which case the full amount was refundable, or (2) if the credit exceeded "total tax," in which case the excess was refundable. The difference between columns 19 and 21 is the refundable portion.

Total tax (column 16) minus earned income credit (column 21) is the amount most comparable to total tax in Tables 1 and 3. The total tax which results from this subtraction differs from Tables 1 and 3 because it includes additional taxes (see footnote (b), above) and because earned income credit used to offset tax (column 21) also includes amounts offset against these additional taxes.

[3] Includes, for example, returns filed from Army Post Office and Fleet Post Office addresses by servicemen and women stationed overseas; returns filed by other U.S. citizens abroad; and returns filed by residents of Puerto Rico with income from sources outside Puerto Rico or with income earned as U.S. Government employees.

NOTE: This table presents aggregates of all returns filed and processed through the Individual Master File (IMF) system during Calendar Year 1985. Data have not been edited for Statistics of Income purposes.

SOURCE: Internal Revenue Service, Software Division, IMF Returns Systems Branch.

Table 3

[1] Includes income tax after credits and the additional tax for tax preferences, i.e., minimum tax and alternative minimum tax.

[2] For many taxpayers in this size class includes additional tax for tax preferences not included in "taxable income."

SOURCE: Statistics of Income--Individual Income Tax Returns, appropriate years. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of law changes.

Table 4

[1] Includes breakeven businesses.

SOURCE: Statistics of Income--Sole Proprietorship Returns, appropriate years, and SOI Bulletin, Summer issues. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of law changes.

Table 5

[1] Total assets, total liabilities and partners' capital account are somewhat understated because not all partnership returns included a complete balance sheet.

[2] Short-term debt is the abbreviated title given to mortgages, notes and bonds payable in less than 1 year.

[3] Long-term debt is the abbreviated title given to mortgages, notes and bonds payable in 1 year or more. In addition, for Tax Year 1975, long-term debt included nonrecourse loans.

[4] See footnote 4 Table 6, for changes in the comparability of the statistics for receipts and deductions starting with 1981. Also, statistics for interest received are combined with dividends beginning with 1982.

[5] Beginning with 1981, represents the more all-inclusive amounts reported in depreciation computation schedules rather than the amounts reported as the depreciation deduction (plus depreciation identified in cost of sales and operations schedules).

SOURCE: Statistics of Income--Partnership Returns, appropriate years, and SOI Bulletin, Summer issues. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the specific Statistics of Income reports for a description of sampling error and of law changes.

Table 6

[1] Size classes are based on business receipts, i.e., gross amounts from sales

and operations, for industries except finance, insurance and real estate. For the latter industries, total receipts, which is the sum of business receipts and investment income, was used. For partnerships, see also footnote 3, below.

[2] Includes returns with no receipts as defined in footnote 1.

[3] Includes corporations with zero assets and liabilities.

[4] Beginning with 1981, "total receipts" in Table 5 includes, in part, only the net income or loss from farming and rentals. Previously, "total receipts" included the gross receipts from farming and rentals and, if rental receipts were the principal source of total receipts, they were treated as "business receipts" for the statistics. To help minimize the break in comparability caused by this change in statistical treatment of farm and rental income, an effort was made for 1981-82 to include rental (though not farm) gross receipts in the receipts used for the size distribution in Table 6.

In Table 5, since only the net income or loss from farming and rentals was included starting with 1981, the deductions reported in computing these net incomes are excluded from the deduction statistics. For previous years, these deductions are reflected in the deduction statistics.

[5] Prior to 1979, partnerships that had liquidated were assumed to have zero assets and liabilities, even if their balance sheets showed otherwise, and were included in the "under \$25,000" asset size class. Beginning with 1980, balance sheet data reported for liquidated partnerships were tabulated as reported and were included in the appropriate asset size classes.

SOURCE: Statistics of Income--Corporation Income Tax Returns, appropriate years, Statistics of Income--Partnership Returns, appropriate years, Statistics of Income--Sole Proprietorship Returns, appropriate years, and SOI Bulletin, Summer issues. Tax law changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of law changes.

Table 7

[1] Includes additional tax for tax preferences (minimum tax), tax from recomputing prior year investment credit and Personal Holding Company tax.

SOURCE: Statistics of Income--Corporation Income Tax Returns, appropriate years. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of law changes.

Table 8

- [1] Net capital assets, except land, consists of depreciable, depletable, and intangible assets less accumulated depreciation, depletion and amortization.
- [2] Short-term debt is the abbreviated title given to mortgages, notes and bonds payable in less than 1 year. Long-term debt is the abbreviated title given to mortgages, notes and bonds payable in 1 year or more.
- [3] Consists of regular and alternative tax. Tax Year 1970 includes surcharge of \$784,437,000.

SOURCE: Statistics of Income--Corporation Income Tax Returns, appropriate years. Data are subject to sampling error. Tax law changes affect the year-to-year comparability of the data. See the appropriate Statistics of Income reports for a description of sampling error and of law changes.

Tables 9 and 10

- [1] Individual income tax collected includes that portion which was designated for the presidential election campaign fund by taxpayers on their returns. Also included is the fiduciary income tax collected (from estates and trusts). Fiduciary income tax collected was \$2.9 billion in 1984, \$2.7 billion in 1983, \$2.6 billion in 1982 and \$2.2 billion in 1981. Presidential election campaign designations amounted to \$34.8 million in 1984, \$35.5 million in 1983, \$39.0 million in 1982, and \$41.0 million in 1981.
- [2] Corporation income tax collected includes the tax on "unrelated business income" of tax-exempt organizations. Unrelated business income tax collected was \$50.0 million (1984), \$45.1 million (1983), \$64.7 million (1982), and \$41.0 million (1981).
- [3] Excise taxes are imposed on selected products, services and activities, such as those on alcohol and tobacco products and the windfall profit tax on domestically-produced crude oil.
- [4] Employment taxes include payroll taxes levied on salaries and wages, such as

social security, railroad retirement and unemployment taxes; plus the self-employment tax imposed on "self-employment income".

NOTES: Collections (or refunds) are those made during the time periods indicated, regardless of the year or other period during which the tax liability was incurred (or to which the refund applied).

Collections represent the gross amounts before refunds and include amounts paid with the return; prior to filing the return (as applicable, income tax withheld by employers and estimated tax payments); and subsequent to filing the return (chiefly the result of initial return processing or of examination and enforcement activities). Collections also include interest and penalties.

Refunds result chiefly from tax overpayments determined at time of filing a return. Included are amounts subsequently determined as due the taxpayer as a result of an amended return or a claim for refund (including those produced by "net operating loss" and other carryback adjustments from future taxable years); or as a result of initial return processing or of examination and other activities. Individual income tax refunds are net of offsets under a law which requires IRS to act as collection agent for state welfare agencies so that these agencies can be reimbursed for the support they furnished through Aid to Families with Dependent Children (AFDC) programs. All refund data include interest paid by IRS.

Detail may not add to totals because of rounding.

SOURCE: Internal Revenue Service, Returns Processing and Accounting Division, Revenue and Accounting Branch.

Table 11

- [1] Includes a one-time tax of 5 cents per gallon on gasoline and 4 cents per gallon on gasohol imposed on inventories of dealers as of April 1, 1983. Taxes on lubricating oil were repealed effective January 5, 1983.
- [2] Effective January 1, 1984, taxes on tubes and tread rubber were repealed, and dealers holding taxable tires were assessed a one-time floor stock tax.
- [3] Effective January 7, 1983, the excise taxes on parts and accessories for trucks and buses, which are included in this classification, were repealed. Beginning with the quarter ending December 1983, motor vehicles are excluded.

[4] Special fuels, total includes diesel and special motor fuels which were classified as miscellaneous excise taxes in 1970. Beginning with the quarter ending December 1983, motor vehicles are included.

[5] Effective January 1, 1983, the excise tax increased from 1 percent to 3 percent.

[6] The negative amounts are due to refunds of this tax under the United States - United Kingdom Income Tax Treaty, which provides for an exemption from the tax retroactive to January 1, 1975. Also, a similar United States - France treaty provides for an exemption retroactive to January 1, 1979.

[7] This amount reflects adjustments made for prior quarters.

NOTES: For 1970 and 1975, the fiscal year was defined as July of the previous calendar year through June of the year noted. For 1980-84, the fiscal year was defined as October of the previous calendar year through September of the year noted.

Additional detail is published in the Annual Report of the Commissioner and Chief Counsel, Internal Revenue Service.

SOURCE: Internal Revenue Service, Returns Processing and Accounting Division, Revenue and Accounting Branch.

Table 12

[1] Includes Forms 1040C, PR and SS.

[2] Includes Form 1041A in 1970 and 1975.

[3] Includes Form 990A in 1970.

SOURCE: Internal Revenue Service, Research Division, Projections and Forecasting Group.

Table 13

[1] 1984 projections are based on converting 1984 Taxpayer Usage Study sample (TPUS) to the equivalent of the Statistics of Income (SOI) sample. This was done because the TPUS sample represents returns filed through April, while the SOI sample represents all individual income tax returns filed for a calendar year. For additional information about the TPUS sample, see the Summer 1985 issue of the SOI Bulletin.

[2] Data on IRS Taxpayer Service Programs are collected on a fiscal-year basis. In general, assistance rendered in a given fiscal year may be related to returns due on April 15th during the fiscal year and are for the tax year ending with the previous December. Therefore, data in Table 13, which are presented on a tax year basis are actually for a fiscal year, e.g., data shown as for Tax Year 1982 are actually for Fiscal Year 1983.

NOTE: Data on IRS assistance represent taxpayer contacts. Some taxpayers make more than one contact. The number of taxpayers assisted (in contrast to the number of contacts made) is not known.

SOURCE: Data on paid preparers obtained from Statistics of Income and Taxpayer Usage Study samples. Data on IRS assistance were compiled by the Taxpayer Service Division.

Appendix

General Description of Statistics of Income Sample Procedures and Data Limitations

This appendix discusses typical sampling procedures used in most Statistics of Income (SOI) programs. Aspects covered briefly include sampling criteria, selection techniques, methods of estimation, and sampling variability. Some of the nonsampling error limitations of the data are also described, as well as the tabular conventions employed.

Additional information on sample design and data limitations for specific SOI studies can be found in the separate SOI publications (see References). More technical information is available, upon request, from the Statistics of Income Division.

SAMPLE CRITERIA AND SELECTION OF RETURNS

Statistics compiled for the SOI studies are generally based on stratified probability samples of income tax returns or other forms filed with the Internal Revenue Service (IRS). The statistics do not reflect any changes made by the taxpayer through an amended return or by the IRS as a result of an audit. The samples are based on such criteria as: principal business activity; presence or absence of a schedule; State from which filed; size of adjusted gross income (or deficit) or largest of specific income (or loss) items; total assets or size of business and farm receipts.

The probability of a return being designated depends on its sample class or stratum and may range from a fraction of one percent to one hundred percent. Considerations in determining the selection probability for each stratum include the number of returns in the stratum, the diversity of returns in the stratum, and interest in the stratum as a separate subject of study. All this is subject to constraints on the allowable total cost or total sample size for the program.

For most SOI studies, returns are computer designated based on the Taxpayer Identification Number (TIN) which is either the Social Security Number (SSN) or Employer Identification Number (EIN). In some cases, the ending digits of each TIN are compared to a set of numbers randomly selected for each sample class. If the TIN ending digits are in the set, then the return is designated for the sample. Otherwise, it is not designated.

Alternatively, a fixed and essentially random number is associated with each possible TIN. If that random number falls into a range of numbers specified for the return's sample stratum, then it is designated. Otherwise, it is not.

Under either method of selection, the TIN's designated from one year's study are for the most part selected for the next study, so that a large proportion of the new sample are repeaters. This longitudinal character of the sample design improves the estimates of change from one study to the next.

METHOD OF ESTIMATION

In general, weighting factors are obtained by dividing the computer count of returns filed for a sample stratum by the actual number of returns secured for the sample. These weighting factors are then used to inflate the sample results to total population levels. During sampling, lists of the returns designated are checked against the returns secured for the sample to insure that the sample designated is the same as the sample selected. Special searches are made for returns not initially secured so that any bias from nonresponse is minimal.

For the individual income tax returns sample, weighting factors are computed for each sample class within each Internal Revenue district, even though the district is not used to designate the sample. This is an example of post-stratified estimation and is used to improve the estimates for the States. Usage of post-stratified estimation is being studied for other SOI studies.

SAMPLING VARIABILITY

The particular sample used in a study is only one of a large number of possible random samples that could have been selected using the same sample design. Estimates derived from the different samples would usually vary. The standard error of the estimate is a measure of the variation among the estimates from all possible samples and is used to measure the precision with which an estimate from a particular sample approximates the average result of the possible samples. The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that this interval includes the actual population value.

In SOI reports the standard error is not directly presented. Instead, the ratio of the standard error to the estimate itself is presented in decimal form. This ratio is called the coefficient of variation (CV). The user of SOI data may multiply an estimate by its coefficient of variation to recreate the standard error and to construct confidence intervals.

For example, if a sample estimate of 150,000 returns is known to have a coefficient of variation of 0.02, then the following arithmetic procedure would be followed to construct a 68% confidence interval estimate:

$$\begin{array}{r} 150,000 \quad (\text{sample estimate}) \\ \times 0.02 \quad (\text{coefficient of variation}) \\ \hline = 3,000 \quad (\text{standard error of estimate}) \\ \\ 150,000 \quad (\text{sample estimate}) \\ + \text{ or } - 3,000 \quad (\text{standard error}) \\ \hline = 147,000 - 153,000 \quad (68\% \text{ confidence interval}) \end{array}$$

Based on these data, the interval estimate is from 147 to 153 thousand returns. A conclusion that the

average estimate of the number of returns lies within an interval computed in this way would be correct for approximately two-thirds of all possible similarly selected samples. To obtain this interval estimate with 95% confidence, multiply the standard error by two before adding to and subtracting from the sample estimate. (In this particular case, the resulting interval would be from 144 to 156 thousand returns.)

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

NONSAMPLING ERROR CONTROLS AND LIMITATIONS

Although the previous discussion focuses on sampling methods and the limitations of the data caused by sampling errors, there are other sources of errors which may be significant in evaluating the usefulness of SOI data. These include taxpayer reporting errors, processing errors, early cut-off of sampling, etc. More extensive information on nonsampling errors is presented in SOI reports, when appropriate.

In transcribing and tabulating the information from the returns or forms selected for the sample, checks are imposed to improve the quality of the resultant estimates. Missing entries are inputted during statistical processing by utilizing other information on the return and accompanying schedules. Data may be disaggregated and recombined during editing to achieve consistent statistical definitions. In the future, SOI studies will make use of earlier returns of the same taxpayer to check current data, for instance the industry code. Also, research on better methods of imputing missing data is being conducted.

Quality of the basic data abstracted at the processing centers is controlled by a continuous sampling verification system. In addition, the Statistics of Income Division in the National Office conducts an independent reprocessing of a small subsample of statistically processed returns as a further check. Prior to tabulation, numerous computer tests are applied to each return record to check for inconsistencies.

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

TABULAR CONVENTIONS

Estimates of frequencies and money amounts that are considered unreliable, due to the small sample size on which they are based, are noted by an asterisk (*) to the left of the data item(s) in the tabulations. The presence of an asterisk indicates that the sample rate is less than 100 percent of the population and there are fewer than 10 sample observations available for estimation purposes.

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

Whenever a weighted frequency in a data cell is less than 3, the estimate is either combined with other cells or deleted in order to avoid disclosure of information about individual taxpayers or businesses. These combinations and deletions are indicated by a double asterisk (**).

REFERENCES

- [1] Statistics of Income--1982, Individual Income Tax Returns (see especially pages 15-18).
- [2] Statistics of Income--1981, Corporation Income Tax Returns (see especially pages 9-15).
- [3] Statistics of Income--1980, Partnership Returns (see especially pages 5-7).
- [4] Statistics of Income--1981, Sole Proprietorship Returns (see especially pages 5-9).
- [5] Statistics of Income--1976-1979, International Income and Taxes, Foreign Income and Taxes Reported on U.S. Tax Returns (see especially pages 13-15 and 85-87).
- [6] Statistics of Income--1973, Sales of Capital Assets Reported on Individual Income Tax Returns (see especially pages 17-20).
- [7] Statistics of Income--1976 Estate Tax Returns (see especially pages 11-12).
- [8] Statistics of Income--1974-1978, Private Foundations (see especially pages 9-16).

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SOI BULLETIN Winter 1985-86

Please take a few moments to answer the following questions concerning this *Statistics of Income* publication. Your responses will enable us to direct our efforts to meeting the needs of our users. After indicating your responses, please cut, tape, and mail. No postage or envelope is required. Thank you for your cooperation.

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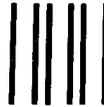
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**INDEX OF PREVIOUSLY PUBLISHED
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Corporation income tax returns:

Investment tax credit:
1980, *Winter 1983-84 (3-3)*

Domestic International Sales Corporations:

1980, *Fall 1983 (3-2)*

Employee benefit plans:

1977, *Spring 1982 (1-4)*

Estate tax returns:

1983, *Fall 1984 (4-2)*

Excise taxes:

Environmental:
1981-1983, *Spring 1985 (4-4)*

Exempt organizations:

Other than private foundations:
1975-1978, *Fall 1981 (1-2)*

Private foundations:
1979, *Fall 1982 (2-2)*
1982, *Fall 1985 (5-2)*

Fiduciary income tax returns:

1982, *Spring 1985 (4-4)*

Foreign income and taxes:

Controlled Foreign Corporations:
1980, *Spring 1984 (3-4)*
Fall 1984 (4-2)

Possession corporations tax credit:

1980, *Spring 1983 (2-4)*

U.S. corporation foreign tax credit:
1980, *Summer 1984 (4-1)*
Winter 1984-85 (4-3)

International Boycotts:
1976-1982, *Summer 1985 (5-1)*

High-income taxpayers and the growth of partnerships:

1983, *Fall 1985 (5-2)*

Individual income tax returns:

Age and tax filing:
1981, *Fall 1985 (5-2)*

Historical summary of income and taxes:

1913-1982, *Winter 1983-84 (3-3)*

Income by ZIP code areas:
1969-1979, *Spring 1983 (2-4)*
1979 & 1982, *Summer 1985 (5-1)*

Investment tax credit:
1981, *Spring 1984 (3-4)*

Life style and individual tax returns:

Spring 1984 (3-4)

Marginal and average tax rates:

1980, *Winter 1982-83 (2-3)*

1981, *Fall 1983 (3-2)*

1982, *Spring 1985 (4-4)*

Residential energy credit:
1978-1980, *Fall 1982 (2-2)*

Sales of capital assets:
1973-1980, *Summer 1982 (2-1)*
1984, *Summer 1985 (5-1)*

Taxpayers age 65 and over:
1977-1981, *Summer 1984 (4-1)*

Taxpayers by sex:
1969-1979, *Spring 1985 (4-4)*

Nonresident alien income and tax withheld:

1982, *Fall 1984 (4-2)*

1983, *Fall 1985 (5-2)*

Partnership returns:

Employment and payroll:

1979, *Spring 1984 (3-4)*

Income statements by industry:

1982, *Summer 1984 (4-1)*

1983, *Summer 1985 (5-1)*

Personal wealth:

Composition of assets, 1982:
Winter 1984-85 (4-3)

Realized income and personal wealth:
Spring 1983 (2-4)

Trends, 1976-1981:
Summer 1983 (3-1)

Private activity tax-exempt bonds:

1983, *Summer 1984 (4-1)*

Projections of returns to be filed:

1986-1993, *Fall 1985 (5-2)*

Safe Harbor Leasing:

1981-1982, *Fall 1983 (3-2)*

Sales of capital assets

(See individual income tax returns)

Sole proprietorship returns:

Income statements by industry:

1982, *Summer 1984 (4-1)*

1983, *Summer 1985 (5-1)*

Nonfarm proprietorships and sex of owner:

1980, *Spring 1983 (2-4)*

Superfund for environmental taxes
(See excise taxes)

Tax incentives for saving:

Spring 1984 (3-4)

Underground economy:

Informal suppliers:

Summer 1983 (3-1)

Tip income in eating places:

1982, *Winter 1983-84 (3-3)*

Windfall profit tax:

1984, 1st quarter,
Winter 1984-85 (4-3)

1984, 2nd quarter,
Spring 1985 (4-4)

1984, 3rd quarter,
Summer 1985 (5-1)

1984, 4th quarter and year total,
Fall 1985 (5-2)