

# Individual Income Tax Returns, 1997

by David Campbell and Michael Parisi

**T**axpayers filed 122.4 million returns for Tax Year 1997, a 1.7-percent increase over the previous year. For 1997, adjusted gross income (less deficit) (AGI) rose 9.6 percent to nearly \$5.0 trillion, following an 8.3-percent increase in AGI for 1996. Total taxable income and total income tax increased faster than AGI for 1997, with percentage increases of 11.0 percent and 11.1 percent, respectively. Total income tax as a percentage of GDP rose to 6.2 percent, reaching the highest level since 1982. Net capital gains (less losses) increased over 40 percent for the second consecutive year, with \$356.1 billion being realized for 1997. Unemployment compensation benefits declined for the fifth straight year, with the decline for 1997 reaching double digits (10.9 percent) for the first time over that period.

The largest component of AGI, salaries and wages, increased 7.0 percent to \$3.6 trillion, the largest increase since 1988. Other components of AGI with substantial increases for 1997 included dividends and partnership and S-Corporation net income (less losses), which rose 15.6 percent and 14.7 percent, respectively. Total deductions increased by \$63.9 billion, or 6.4 percent. Total standard deductions increased 3.7 percent for 1997, while itemized deductions (after limitation) increased 8.4 percent to \$620.8 billion. Notably, charitable contributions increased 15.1 percent to \$99.2 billion for 1997, which marks the second consecutive year of double-digit growth. Total tax credits (including only the portion of the earned income credit used to offset income tax before credits) increased 7.7 percent to \$12.2 billion for 1997. The foreign tax credit, the largest credit taken, increased 15.1 percent to \$4.1 billion. The total earned income credit grew 5.4 percent to \$30.4 billion, the smallest increase since 1986.

## Adjusted Gross Income and Selected Sources of Income

As shown in Figure A, AGI increased 9.6 percent to nearly \$5.0 trillion for 1997. The growth rate of AGI was more than four times the annual inflation rate

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Figure A

## Adjusted Gross Income, Taxable Income, and Total Income Tax, Tax Years 1996 and 1997

[Number of returns is in thousands--money amounts are in millions of dollars]

Item	1996		1997		Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
Adjusted gross income (less deficit).....	120,351	4,535,974	122,422	4,969,950	9.6
Taxable income.....	96,577	3,089,667	99,315	3,429,109	11.0
Total income tax.....	90,929	658,245	93,471	731,321	11.1
Alternative minimum tax.....	478	2,813	618	4,005	42.4

(2.3 percent as measured by the Consumer Price Index) for the same period [1]. The principal components of AGI and statutory adjustments to AGI are presented in Figure B and Table 1. The largest component of AGI, salaries and wages, increased \$237.0 billion, or 7.0 percent, for 1997. The largest percentage increase for a component of AGI was for net capital gains (less losses), which rose 41.4 percent to over \$356 billion for 1997. The increase in net capital gains (less losses) was accompanied by increases in dividends and partnership and S-corporation net income (less loss) of 15.6 percent and 14.7 percent, respectively. Unlike the previously mentioned income items, taxable interest income remained relatively flat, increasing only 3.6 percent for 1997. Unemployment compensation benefits declined for the fifth consecutive year, dropping 10.9 percent for 1997 to \$17.2 billion. Some of this decline may be attributed to the unemployment rate, which at 4.9 percent for 1997 was the lowest it had been since 1973 [2].

In addition to income related to the equity markets, many forms of retirement income showed significant increases for 1997. Taxable Individual Retirement Arrangement distributions grew 21.2 percent for 1997, an increase of almost \$10 billion over the previous year. Taxable Social Security benefits increased 15.7 percent to \$61.6 billion. Taxable pensions and annuities increased 8.8 percent to \$259.7 billion for 1997, the largest percentage increase since 1991.

# Individual Income Tax Returns, 1997

Figure B

## Total and Selected Sources of Adjusted Gross Income, Tax Years 1996 and 1997

[Number of returns is in thousands--money amounts are in millions of dollars]

Item	1996		1997		Increase in amount	Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount		
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Adjusted gross income (less deficit) <sup>1</sup></b> .....	<b>120,351</b>	<b>4,535,974</b>	<b>122,422</b>	<b>4,969,950</b>	<b>433,976</b>	<b>9.6</b>
Salaries and wages.....	102,749	3,376,872	104,405	3,613,918	237,047	7.0
Taxable interest.....	67,159	165,673	67,301	171,700	6,028	3.6
Dividends.....	27,710	104,255	29,508	120,493	16,238	15.6
Business or profession net income (less loss).....	16,736	176,904	16,938	186,741	9,837	5.6
Net capital gain (less loss) .....	22,065	251,817	24,240	356,083	104,266	41.4
Capital gain distribution.....	12,778	24,722	14,969	45,132	20,410	82.6
Net gain (less loss), sales of property other than capital assets.....	1,822	-2,284	1,745	-1,460	824	36.1
Taxable Social Security benefits.....	7,366	53,203	8,308	61,558	8,355	15.7
Total rent and royalty net income (less loss) <sup>2</sup> .....	10,100	20,564	10,176	22,366	1,802	8.8
Partnership and S Corporation net income (less loss).....	5,991	146,780	6,032	168,323	21,543	14.7
Estate and trust net income (less loss).....	533	7,716	508	8,134	418	5.4
Farm net income (less loss).....	2,188	-7,112	2,161	-6,847	265	3.7
Unemployment compensation.....	7,995	19,327	7,124	17,230	-2,097	-10.9
Taxable pensions and annuities.....	19,272	238,787	19,497	259,711	20,924	8.8
Taxable Individual Retirement Arrangement distributions.....	5,831	45,539	6,214	55,183	9,644	21.2
Other net income (less loss) <sup>3</sup> .....	n.a.	16,741	n.a.	19,085	2,344	14.0
Gambling earnings.....	1,125	8,229	1,208	10,140	1,911	23.2

n.a. - Not available.

<sup>1</sup> Sources of adjusted gross income shown are incomplete and, therefore, do not add to total adjusted gross income.

<sup>2</sup> Includes farm rental net income (less loss).

<sup>3</sup> Other net income (less loss) represents data reported on Form 1040, line 21, except net operating loss, the foreign-earned income exclusion, and gambling earnings.

### Losses

Total negative income includes net negative income line items from individual tax returns [3]. Total negative income, i.e., net loss, included in AGI increased for 1997 by 1.6 percent to \$184.6 billion (Figure C). Accounting for 27.8 percent of total net losses, net operating loss increased 3.2 percent to \$51.3 billion [4]. Partnership and S Corporation net loss, the second largest component of the total, increased 2.9 percent to \$45.2 billion, while business or profession net loss increased 3.1 percent to \$23.8 billion. There were three net loss items showing a decline for 1997; other net loss, net loss associated with sales of property other than capital assets, and net capital loss decreased 12.2 percent, 11.7 percent, and 1.5 percent, respectively.

### Net Capital Gain (Less Losses)

In the summer of 1997, the Taxpayer Relief Act of 1997 was passed and included provisions to reduce

the rates at which long-term capital gains were taxed for all income levels. It became effective May 6, 1997, and applied only to those transactions that took place after this date. Any capital gains realized prior to May 6 of that year were taxed at the previous rates. Also included in the legislation was a requirement that all capital gain distributions be reported on Schedule D, unlike previous years when taxpayers could report them on Form 1040.

The largest sources of capital gains and losses are equity securities. Stock markets experienced large gains during 1997. For example, the New York Stock Exchange (NYSE) Composite Index increased 30.3 percent from 1996 [5]. Capital gain distributions from mutual funds, now reported only on Schedule D, experienced even sharper growth for 1997 with an increase of 82.6 percent to \$45.1 billion. Overall, net capital gains (less losses) for 1997 increased by \$104.3 billion to \$356.1 billion. This represents the second consecutive year that net capi-

# Individual Income Tax Returns, 1997

Figure C

## Total and Selected Sources of Net Losses Included in Adjusted Gross Income, Tax Years 1996 and 1997

[Number of returns is in thousands--money amounts are in millions of dollars]

Item	1996		1997		Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
<b>Total net losses</b> .....	<b>n.a.</b>	<b>181,641</b>	<b>n.a.</b>	<b>184,588</b>	<b>1.6</b>
Business or profession net loss.....	4,201	23,126	4,236	23,844	3.1
Net capital loss <sup>1</sup> .....	4,622	8,879	4,475	8,746	-1.5
Net loss, sales of property other than capital assets.....	1,004	8,816	868	7,782	-11.7
Total rent and royalty net loss <sup>2</sup> .....	4,620	26,120	4,652	26,983	3.3
Partnership and S Corporation net loss.....	2,201	43,960	2,115	45,236	2.9
Estate and trust net loss.....	44	749	50	882	17.8
Farm net loss.....	1,461	16,027	1,439	16,069	0.3
Net operating loss <sup>3</sup> .....	504	49,749	568	51,344	3.2
Other net loss <sup>4</sup> .....	208	4,215	238	3,702	-12.2

n.a. - Not available.

<sup>1</sup> Includes only the portion of capital losses allowable in the calculation of adjusted gross income.

<sup>2</sup> Includes farm rental net loss.

<sup>3</sup> See footnote 5 of this article for a definition of net operating loss.

<sup>4</sup> Other net loss represents losses reported on Form 1040, line 21, except net operating loss and the foreign-earned income exclusion.

tal gains (less losses) increased by more than 40 percent.

### Statutory Adjustments

Statutory adjustments, which are subtracted from total income in the computation of AGI, increased 10.1 percent to \$47.0 billion for 1997 (Figure D). The largest statutory adjustment was the self-employment tax deduction, representing 31.7 percent of the total. This adjustment increased 5.9 percent to \$14.9 billion for 1997. Payments to self-employed retirement (Keogh) plans increased 14.0 percent to \$10.2 billion. Self-employed health insurance deductions increased 39 percent to \$3.9 billion. This is partially attributable to a change in the law that increased the maximum percentage of premiums that a taxpayer could deduct. (See the Changes in Law section of this article for an explanation of the self-employed health insurance deduction.) Alimony paid increased 11.3 percent to \$6.3 billion. The smallest adjustment was \$20 million for medical savings accounts (new for 1997). (See the Changes in Law section for an explanation of medical savings accounts.)

### Deductions

The total standard deduction claimed on 1997 individual income tax returns, i.e., the basic standard deduction plus the additional standard deduction for age or blindness, increased 3.7 percent to \$441.7 billion (Figure E). Total deductions, the sum of the total standard deduction and total itemized deductions (after limitation), equaled \$1.1 trillion, an increase of 6.4 percent. (See the Changes in Law section of this article for an explanation of the itemized deduction limitation.)

The number of returns claiming a standard deduction increased 1.0 percent for 1997, accounting for 69.3 percent of all returns filed. For 1997, the average standard deduction equaled \$5,206, up \$133 from the 1996 average. This increase was largely due to inflation-indexing of the standard deduction amounts. (See the Changes in Law section of this article for an explanation of the standard deduction.)

Statistics for returns with itemized deductions are presented in Figure E and Table 3. Itemized deductions were claimed on 29.9 percent of all returns filed and represented 58.4 percent of the total deductions amount [6]. The average total for itemized deduc-

# Individual Income Tax Returns, 1997

Figure D

## Selected Statutory Adjustments, Tax Years 1996 and 1997

[Number of returns is in thousands--money amounts are in millions of dollars]

Item	1996		1997		Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
<b>Total statutory adjustments.....</b>	<b>18,425</b>	<b>42,647</b>	<b>18,786</b>	<b>46,955</b>	<b>10.1</b>
Payments to an Individual Retirement Arrangement.....	4,374	8,628	4,069	8,663	0.4
Moving expenses.....	831	1,682	781	1,848	9.9
Self-employment tax deduction.....	13,204	14,044	13,513	14,868	5.9
Self-employed health insurance deduction.....	3,147	2,785	3,285	3,870	39.0
Payments to a self-employed retirement (Keogh) plan.....	1,079	8,979	1,190	10,238	14.0
Forfeited interest penalty.....	709	168	918	234	39.8
Alimony paid.....	597	5,668	624	6,311	11.3
Other adjustments <sup>1</sup> .....	n.a.	693	n.a.	923	33.1

n.a. - Not available.

<sup>1</sup> Includes foreign housing adjustment and other adjustments (including Medical Savings Accounts for 1997).

Figure E

## Selected Itemized Deductions and the Standard Deduction, Tax Years 1996 and 1997

[Number of returns is in thousands--money amounts are in millions of dollars]

Item	1996		1997		Percentage increase in amount
	Number of returns <sup>1</sup>	Amount	Number of returns <sup>1</sup>	Amount	
	(1)	(2)	(3)	(4)	(5)
<b>Total itemized deductions before limitation.....</b>	<b>35,415</b>	<b>591,624</b>	<b>36,625</b>	<b>644,074</b>	<b>8.9</b>
Medical and dental expenses.....	5,397	27,002	5,256	29,284	8.4
Taxes paid.....	34,855	203,776	36,095	220,628	8.3
Interest paid <sup>2</sup> .....	29,803	233,151	30,790	250,599	7.5
Home mortgage interest.....	29,436	220,203	30,436	235,970	7.2
Charitable contributions.....	31,592	86,159	32,613	99,192	15.1
Other than cash contributions.....	16,037	21,299	17,071	27,961	31.3
Casualty and theft losses.....	164	2,879	105	1,064	-63.0
Miscellaneous deductions after AGI limitation.....	8,436	34,043	8,663	37,427	9.9
Gambling losses and other unlimited miscellaneous deductions.....	827	4,614	779	5,880	27.4
Itemized deductions in excess of limitation.....	4,053	19,083	4,489	23,263	21.9
<b>Total itemized deductions after limitation.....</b>	<b>35,415</b>	<b>572,541</b>	<b>36,625</b>	<b>620,810</b>	<b>8.4</b>
<b>Total standard deduction.....</b>	<b>83,997</b>	<b>426,103</b>	<b>84,844</b>	<b>441,696</b>	<b>3.7</b>
<b>Total deductions (after itemized deduction limitation).....</b>	<b>119,412</b>	<b>998,644</b>	<b>121,469</b>	<b>1,062,506</b>	<b>6.4</b>

<sup>1</sup> Returns with no adjusted gross income are excluded from the deduction counts and amounts. For this reason, the sum of the number of returns with total itemized deductions and the number of returns with total standard deduction is less than the total number of returns for all filers.

<sup>2</sup> Includes investment interest and deductible mortgage "points" not shown separately.

tions (after limitation) equaled \$16,951, up \$784 from the average for 1996.

Total itemized deductions (before limitation) increased for 1997, as did most of the component deductions with the exception of casualty and theft

losses. The largest itemized deduction (comprising 38.9 percent of the total), interest paid, increased 7.5 percent to \$250.6 billion. Home mortgage interest accounted for 94.2 percent of total interest paid, with the remaining portion consisting of investment inter-

## Individual Income Tax Returns, 1997

est and deductible points paid on a mortgage. Taxes paid, the second largest itemized deduction (34.3 percent of the total), increased 8.3 percent to \$220.6 billion. Charitable contributions increased 15.1 percent to \$99.2 billion, the second consecutive year of double digit growth. One component of this deduction, "other than cash contributions," increased 31.3 percent to \$28.0 billion for 1997. Among the other itemized deductions, medical and dental expenses increased 8.4 percent to \$29.3 billion, and miscellaneous deductions after the AGI limitation (such as employee business expenses, paid preparer expenses, etc.) increased 9.9 percent to \$37.4 billion.

The AGI threshold for the limitation of itemized deductions increased to \$121,200 (\$60,600 if married filing separately) for 1997. Due to this limitation, nearly 4.5 million higher-income taxpayers were unable to deduct \$23.3 billion in itemized deductions, an increase of 21.9 percent from the 1996 amount.

### Taxable Income and Total Income Tax

Taxable income grew at a higher annual rate than AGI for 1997, 11.0 percent compared to 9.6 percent (Figure A). Since taxable income is the result of AGI less exemptions and deductions, smaller increases in deductions (6.4 percent) and exemption amounts deducted (4.8 percent) resulted in a larger percentage increase in taxable income. Taxable income totaled over \$3.4 trillion, and total income tax increased 11.1 percent to \$731.3 billion. The alternative minimum tax rose 42.4 percent to \$4.0 billion.

Average AGI reported on 1997 individual income tax returns was \$40,597, and average taxable income was \$34,528 [7]. These amounts represent a growth of 7.7 percent and 7.9 percent, respectively, from the 1996 amounts of \$37,690 (average AGI) and \$31,992 (average taxable income).

Figure F shows that the average tax rate for 1997 (i.e., total income tax divided by AGI reported on all returns, taxable and nontaxable) was 14.7 percent, a slight increase over 14.5 percent for 1996. In the statistics, all of the income-size classes (with the exception of the "\$1 under \$10,000 class") had average tax rates that were lower than those for 1996. The constant or lower average tax rates for the income-size classes for 1997 were mainly the result of inflation-indexing of the size of the standard deduc-

tion, the size of the deduction for personal exemptions, and the width of the tax rate brackets. The increased total average tax rate for 1997 resulted from taxpayers, as a whole, earning more income and, thus, shifting into higher income classes which have higher average tax rates. As shown, the four highest income-size classes each showed an appreciable increase in the number of taxpayers for 1997, ranging from a 16.6-percent increase for the "\$100,000 under \$200,000" class to a 29.7-percent increase for the "\$1,000,000 or more" class. These two income-size classes showed corresponding increases in total AGI of 17.3 percent for the "\$100,000 under \$200,000" class and 34.7 percent for the "\$1,000,000 or more" class.

### Tax Credits

Statistics for the earned income credit (EIC) and the other tax credits are shown in Tables 2 and 4. For 1997, total tax credits (excluding the "refundable" portion of the EIC and any EIC used to offset any other taxes) increased 7.7 percent to \$12.2 billion (Figure G). With the exception of the child care credit, which decreased 2.7 percent to \$2.5 billion, all of the tax credits increased for 1997. The change in total tax credits was primarily a result of increases in the earned income credit used to offset income tax before credits and the foreign tax credit, which surpassed the earned income credit for 1997 as the largest credit. The portion of the earned income credit used to offset income tax before credits increased 5.8 percent to \$3.8 billion, and the foreign tax credit increased 15.1 percent to \$4.1 billion. The adoption credit, a new credit for 1997, reported over \$60 million for its first year. (See the Changes in Law section of this article for an explanation of the adoption credit.)

Unlike other tax credits, the EIC may not only offset income tax before credits, but may also offset all other taxes and may even be refundable. The refundable portion, the largest segment of the EIC, was treated as a refund and paid directly to taxpayers who had no tax against which to apply the credit, or whose EIC exceeded income tax (and other income-related taxes). The refundable portion of the EIC totaled \$24.4 billion for 1997, an increase of 5.4 percent from 1996 (Figure H). The third part of the EIC, the portion used to offset all other taxes besides

# Individual Income Tax Returns, 1997

Figure F

## Number of Returns, Adjusted Gross Income, and Total Income Tax, by Size of Adjusted Gross Income, Tax Years 1996 and 1997

[Number of returns is in thousands--money amounts are in millions of dollars]

Tax year, item	Total	Size of adjusted gross income (or deficit)									
		Under \$1 <sup>1</sup>	\$1 under \$10,000	\$10,000 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 under \$1,000,000	\$1,000,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Tax Year 1997:</b>											
Number of returns.....	122,422	919	27,350	24,568	18,010	22,755	21,635	5,378	1,402	262	144
Adjusted gross income (less deficit).....	4,969,950	-53,507	136,938	363,126	444,278	887,886	1,478,927	707,811	404,314	176,670	423,507
Total income tax.....	731,321	111	2,525	15,779	33,662	89,793	190,445	126,268	99,512	51,291	121,936
Tax as a percentage of adjusted gross income (less deficit).....	14.7	( <sup>2</sup> )	1.8	4.3	7.6	10.1	12.9	17.8	24.6	29.0	28.8
<b>Tax Year 1996:</b>											
Number of returns.....	120,351	909	28,474	24,832	17,787	22,088	20,124	4,613	1,199	214	111
Adjusted gross income (less deficit).....	4,535,974	-54,553	140,430	367,438	439,020	863,162	1,370,196	603,667	347,404	144,807	314,402
Total income tax.....	658,245	121	2,501	16,859	33,875	88,649	178,230	109,838	87,687	43,530	96,956
Tax as a percentage of adjusted gross income (less deficit).....	14.5	( <sup>2</sup> )	1.8	4.6	7.7	10.3	13.0	18.2	25.2	30.1	30.8
Change in percentage points, tax as a percentage of ad- justed gross income (less deficit), 1997 over 1996.....	0.2	( <sup>3</sup> )	0.1	-0.2	-0.1	-0.2	-0.1	-0.4	-0.6	-1.0	-2.0

<sup>1</sup> Includes returns with adjusted gross deficit.

<sup>2</sup> Percentage not computed.

<sup>3</sup> Difference not computed.

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

Figure G

## Selected Tax Credits, Tax Years 1996 and 1997

[Number of returns is in thousands--money amounts are in millions of dollars]

Item	1996		1997		Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
<b>Total tax credits</b> <sup>1</sup> .....	<b>15,851</b>	<b>11,304</b>	<b>16,195</b>	<b>12,179</b>	<b>7.7</b>
Child care credit.....	5,974	2,531	5,796	2,464	-2.7
Earned income credit <sup>2</sup> .....	8,195	3,563	8,400	3,768	5.8
Foreign tax credit.....	2,106	3,539	2,334	4,073	15.1
General business credit.....	298	743	306	826	11.2
Minimum tax credit.....	117	670	119	681	1.8

<sup>1</sup> Includes credits not shown separately.

<sup>2</sup> Represents portion of earned income credit used to offset income tax before credits.

# Individual Income Tax Returns, 1997

Figure H

## Earned Income Credit, Tax Years 1996 and 1997

[Number of returns is in thousands--money amounts are in millions of dollars]

Item	1996		1997		Percentage increase in amount
	Number of returns	Amount	Number of returns	Amount	
	(1)	(2)	(3)	(4)	(5)
<b>Total earned income credit (EIC)</b> .....	<b>19,464</b>	<b>28,825</b>	<b>19,391</b>	<b>30,389</b>	<b>5.4</b>
EIC for returns with no qualifying children.....	3,532	652	3,375	631	-3.2
EIC for returns with one qualifying child.....	7,943	11,372	7,871	11,422	0.4
EIC for returns with two or more qualifying children.....	7,989	16,801	8,145	18,336	9.1
<b>Refundable earned income credit (EIC)</b> .....	<b>15,380</b>	<b>23,157</b>	<b>15,368</b>	<b>24,396</b>	<b>5.4</b>
EIC for returns with no qualifying children.....	2,309	449	2,164	431	-4.0
EIC for returns with one qualifying child.....	6,290	8,681	6,122	8,524	-1.8
EIC for returns with two or more qualifying children.....	6,781	14,027	7,082	15,441	10.1

income tax, was \$2.2 billion for 1997.

Almost 19.4 million taxpayers claimed the earned income credit for 1997, a decrease of 0.4 percent from 1996. The total earned income credit, however, increased 5.4 percent to \$30.4 billion. (See the Changes in Law section of this article for more details on the earned income credit.) This indicates a leveling off in the growth of the earned income credit, which had seen larger increases over previous years due to legislative changes. Returns with two or more qualifying children accounted for the largest increase for 1997 returns claiming the EIC. The number of these EIC returns increased 2.0 percent, while the corresponding amount of EIC claimed increased 9.1 percent. The number of EIC returns with no qualifying children and the amount of EIC claimed on these returns decreased 4.4 percent and 3.2 percent, respectively. The number of EIC returns with one qualifying child decreased 0.9 percent, while the amount of EIC claimed increased 0.4 percent. Similar percentage changes are shown in Figure H for the numbers of returns and amounts of the refundable portion of the EIC.

### Historical Trends in Constant Dollars

As shown in Figure I, AGI, salaries and wages, and gross domestic product showed large increases in constant dollars for 1997. Both salaries and wages and AGI decreased (in constant dollars) beginning with 1980 and continued to decline until 1982. In contrast, real GDP increased for 1981. For 1983,

real AGI increased and continued to increase through 1986. Between 1987 and 1993, constant-dollar AGI fluctuated within a narrow band before increasing substantially from 1994 through 1997. The 7.1-percent increase for 1997 was the largest increase in constant dollar AGI since 1987. The trend for salaries and wages over this same period is comparable. GDP also went up every year except 1980, 1982, and 1991. For 1997, real GDP increased 5.7 percent to \$7.4 trillion.

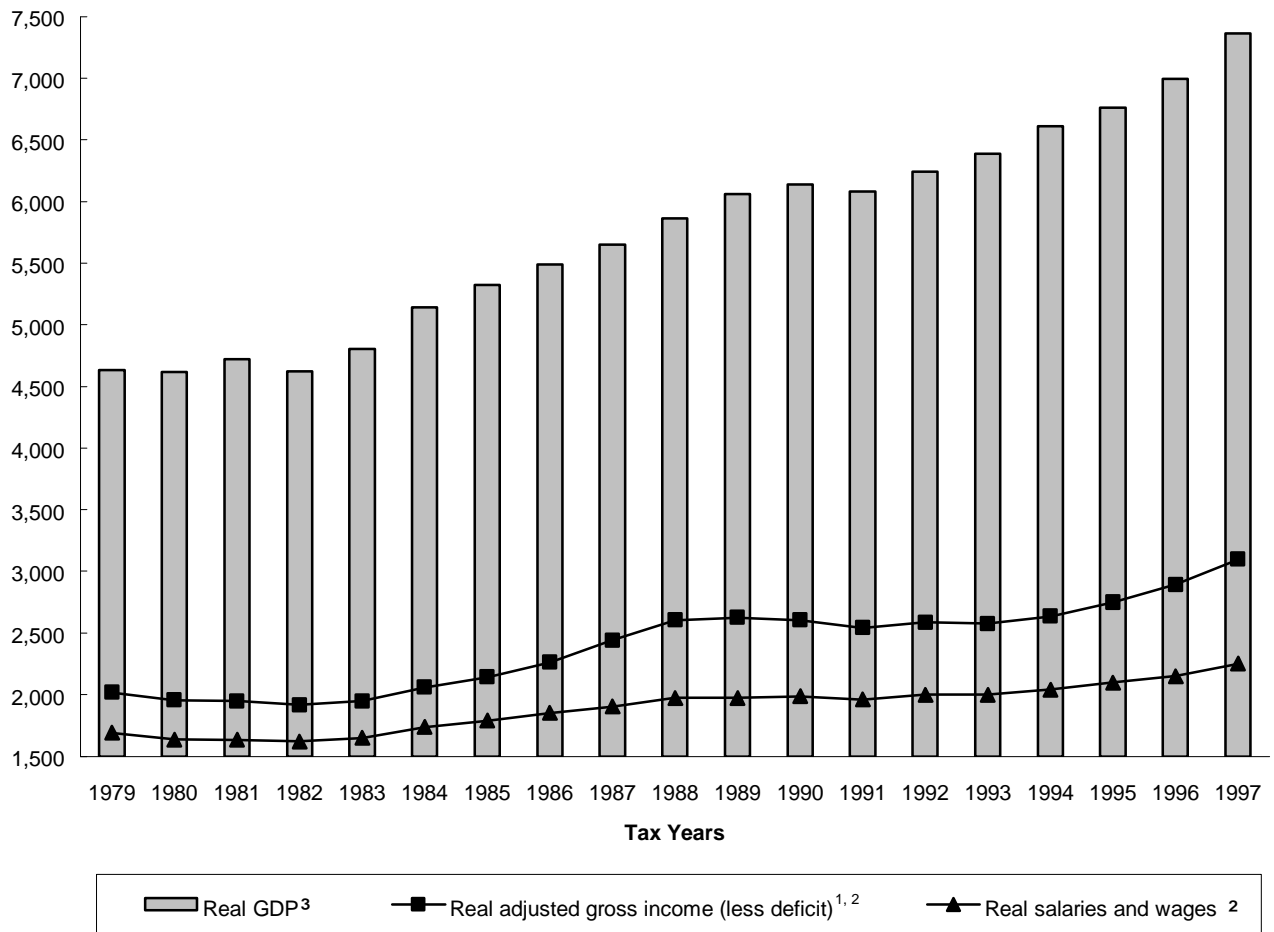
Over the same period, total income tax and tax as a percentage of GDP fluctuated (Figure J). For 1980 and 1981, total income tax (in constant dollars) increased gradually, then declined sharply between 1981 and 1983, coinciding with the lower tax rates provided by the Economic Recovery Tax Act of 1981 (ERTA81). Although the ERTA81 tax reductions were still being phased in, total income tax increased for 1984 and continued to increase through 1986, as AGI began to climb steadily. Tax as a percentage of GDP followed this trend, increasing substantially for 1986. Both total income tax and tax as a percentage of GDP decreased for 1987, the first year under TRA86, as the maximum tax rate was reduced from 50 percent to 38.5 percent. For 1988, total income tax rebounded, even though the second part of the TRA86 statutory tax rate reduction was being implemented. Between 1988 and 1991, total income tax (in constant dollars) declined modestly each year, mirroring the gradual decline of AGI. For 1992, total income tax increased and continued to

# Individual Income Tax Returns, 1997

Figure I

## Real Adjusted Gross Income, Real Salaries and Wages, and Real Gross Domestic Product, Tax Years 1979-1997

Dollars (billions) <sup>1</sup>



<sup>1</sup> The definition of adjusted gross income (less deficit) (AGI) changed beginning in Tax Year 1987. Therefore, AGI should be examined separately from 1979 to 1986 and from 1987 to 1997.

<sup>2</sup> Constant dollars were calculated using the U.S. Bureau of Labor Statistics consumer price index for urban consumers (CPI-U, 1982-84=100). See footnote 1 of this article for further details.

<sup>3</sup> Real gross domestic product (GDP) in chained 1992 dollars (billions) as reported by the U.S. Department of Commerce, Bureau of Economic Analysis in the *Survey of Current Business*, June 1999.

increase through 1997, reflecting higher AGI and higher tax rates for high income individuals (for 1993 and later years). The increase in tax as a percentage of GDP remained almost steady between 1991 and 1994. As opposed to the continued record growth of AGI, the 8.6-percent increase in total

income tax for 1997 was a slight decrease from the growth rate of 8.7 percent for 1996. Tax as a percentage of GDP, at 6.2 percent for 1997, was the highest level since 1982, but still less than the 6.6 percent shown for 1981.

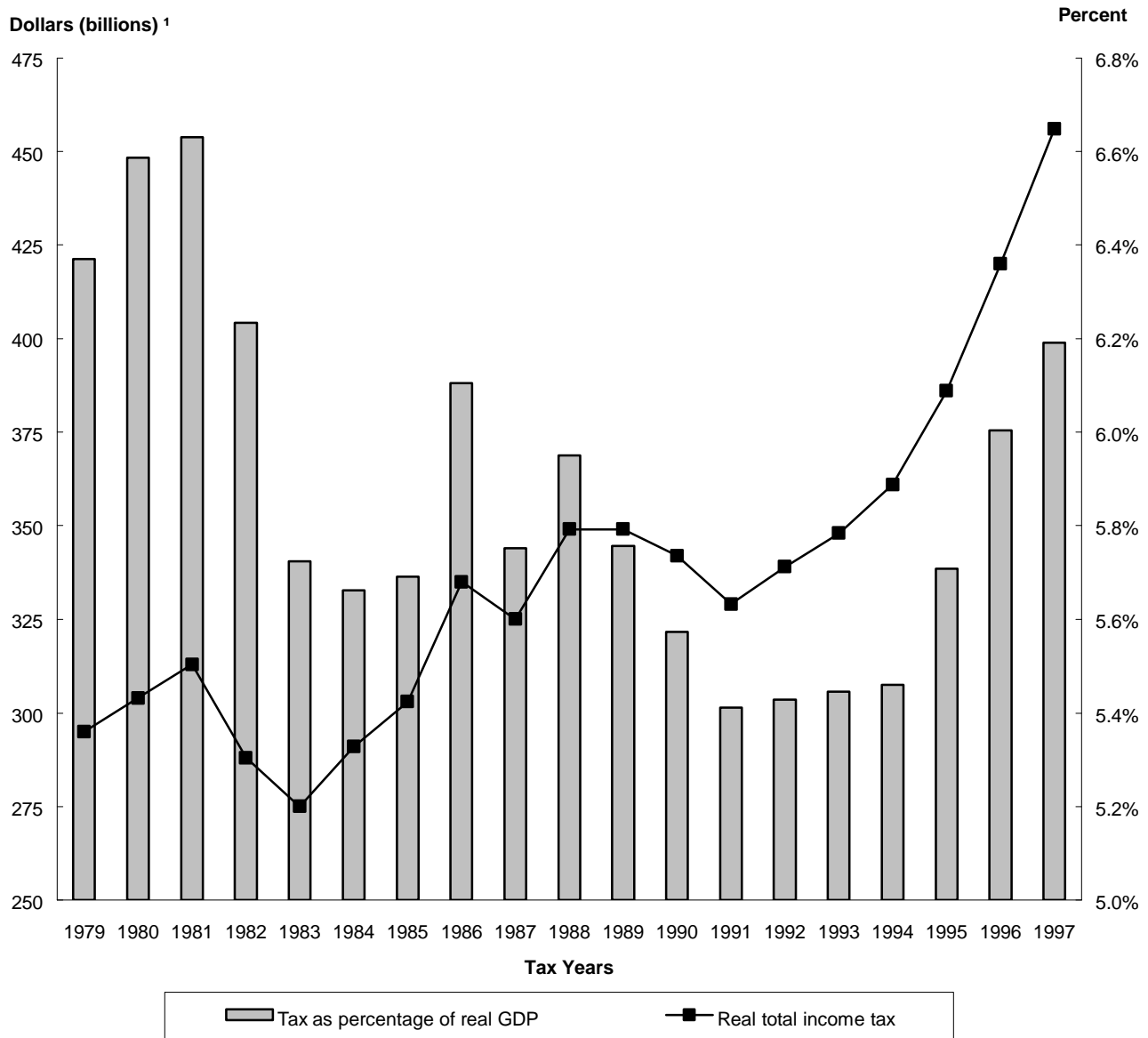
Net capital gain (less losses) is the sum of gains



# Individual Income Tax Returns, 1997

Figure J

Real Total Income Tax and Tax as a Percentage of GDP, Tax Years 1979-1997



<sup>1</sup> Constant dollars were calculated using the U.S. Bureau of Labor Statistics consumer price index for urban consumers (CPI-U, 1982-84=100). See footnote 1 of this article for further details.

and losses from the sale of capital assets, now reported exclusively on Schedule D. Figure K shows that, in constant dollars, net capital gain (less losses) increased 38.2 percent for 1997. Capital gain distributions, part of which were previously reported on Form 1040, experienced a constant dollar increase of

78.5 percent for 1997. Net capital gain (less losses) decreased 9.6 percent, 25.6 percent, and 13.7 percent for 1989, 1990, and 1991, respectively. The post-recession years of 1992 and 1993 were marked with double-digit growth in net capital gain (less losses), before 1994 saw a decline of 3.8 percent. During

# Individual Income Tax Returns, 1997

Figure K

## Net Capital Gain and Capital Gain Distributions, Tax Years 1988-1997

[Number of returns is in thousands--money amounts are in millions of dollars]

Tax year	Net capital gain (less loss)				Capital gain distributions <sup>2</sup>			
	Number of returns	Current dollars	Constant 1982-84 dollars <sup>1</sup>		Number of returns	Current dollars	Constant 1982-84 dollars <sup>1</sup>	
			Amount	Percentage increase			Amount	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1988.....	14,309	153,768	129,981	N/A	4,274	3,879	3,279	N/A
1989.....	15,060	145,631	117,444	-9.6	5,191	5,483	4,422	34.9
1990.....	14,288	114,231	87,400	-25.6	5,069	3,905	2,988	-32.4
1991.....	15,009	102,776	75,460	-13.7	5,796	4,665	3,425	14.6
1992.....	16,491	118,230	84,269	11.7	5,917	7,426	5,293	54.5
1993.....	18,409	144,172	99,773	18.4	9,998	11,995	8,301	56.8
1994.....	18,823	142,288	96,011	-3.8	9,803	11,322	7,640	-8.0
1995.....	19,963	170,415	111,821	16.5	10,744	14,391	9,443	23.6
1996.....	22,065	251,817	160,495	43.5	12,778	24,722	15,757	66.9
1997.....	24,240	356,083	221,859	38.2	14,969	45,132	28,120	78.5

N/A - Not applicable.

<sup>1</sup> Constant dollars were calculated using the U.S. Bureau of Labor Statistics consumer price index for urban consumers (CPI-U, 1982-84=100). See footnote 1 of this article for further details.

<sup>2</sup> For 1988-1996, capital gain distributions are the sum of the amounts reported on the Form 1040 and Schedule D. For 1997, capital gain distributions are just reported on the Schedule D.

this period, there were important tax law changes affecting net capital gain (less losses). Beginning with Tax Year 1991, the maximum capital gain rate remained 28 percent, while the maximum rate for ordinary income increased to 31 percent. When two new tax brackets were added under OBRA93, the maximum differential between ordinary income and capital gain income increased from three percentage points to more than 11 percentage points (39.6 percent for ordinary income compared to 28 percent for capital gains). For 1997, this differential increased to 19.6 percentage points due to the reduction of the maximum tax rate on capital gains by 8 percentage points to 20 percent, while the highest income tax bracket for ordinary income remained at 39.6 percent.

The constant-dollar percentage changes in capital gain distributions for this same period were larger. After increasing 34.9 percent for 1989, these distributions declined 32.4 percent for 1990 and then rebounded by 14.6 percent the following year. Similar to net capital gain (less losses), 1992 and 1993 saw large increases in capital gain distributions (54.5 percent and 56.8 percent, respectively) before the decline reported for 1994. An upward trend began in

1995 that has almost tripled the amount of capital gain distributions from \$9.4 billion in 1995 to \$28.1 billion for 1997.

Figure L presents data for several income, deduction, and tax items (in constant dollars) over time. After increasing substantially between 1988 and 1989, real taxable interest declined each year between 1990 and 1994. For 1992 and 1993, these declines were substantial, 24.7 percent and 21.6 percent, respectively. The increases from 1995 to 1997 only brought the taxable interest amount to levels less than those reported for 1992, and almost 40 percent below the maximum amount reported for 1989. Dividends decreased for 1990 and continued to decline until 1994, when they showed a slight increase. This change is at least partially attributable to the general decline in interest rates over this period. Dividends continued to increase during years 1995 through 1997, when they posted the largest constant dollar increase of the decade, increasing 13 percent above the amount for 1996.

For the first time since 1990, constant-dollar business or profession net income (less losses) increased for 2 years in a row, with a 3.2-percent increase for 1997. Taxable Individual Retirement

# Individual Income Tax Returns, 1997

Figure L

## Selected Sources of Income, Deductions, and Tax Items, in Constant Dollars, Tax Years 1979-1997

[Money amounts are in millions of dollars]

Tax year	Taxable interest		Dividends		Business or profession net income (less loss)		Taxable Individual Retirement Arrangement distributions		Taxable Social Security benefits		Alternative minimum tax	
	Amount (Constant 1982-84 dollars) <sup>1</sup>	Percentage increase	Amount (Constant 1982-84 dollars) <sup>1</sup>	Percentage increase	Amount (Constant 1982-84 dollars) <sup>1</sup>	Percentage increase	Amount (Constant 1982-84 dollars) <sup>1</sup>	Percentage increase	Amount (Constant 1982-84 dollars) <sup>1</sup>	Percentage increase	Amount (Constant 1982-84 dollars) <sup>1</sup>	Percentage increase
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1988.....	158,057	N/A	65,367	N/A	106,782	N/A	9,398	N/A	12,140	N/A	869	N/A
1989.....	177,432	12.3	65,572	0.3	107,047	0.2	11,190	19.1	13,990	15.2	670	-22.9
1990.....	173,744	-2.1	61,338	-6.5	108,210	1.1	13,431	20.0	15,062	7.7	635	-5.2
1991.....	153,753	-11.5	56,743	-7.5	104,159	-3.7	15,145	12.8	15,682	4.1	891	40.3
1992.....	115,712	-24.7	55,542	-2.1	109,766	5.4	18,726	23.6	16,493	5.2	967	8.5
1993.....	90,755	-21.6	55,176	-0.7	107,754	-1.8	18,741	0.1	17,059	3.4	1,421	46.9
1994.....	85,134	-6.2	55,607	0.8	112,148	4.1	22,339	19.2	26,072	52.8	1,493	5.1
1995.....	101,562	19.3	62,068	11.6	111,118	-0.9	24,486	9.6	29,997	75.8	1,503	5.8
1996.....	105,591	4.0	66,447	7.1	112,749	1.5	29,024	18.5	33,909	13.0	1,793	19.3
1997.....	106,978	1.3	75,074	13.0	116,350	3.2	34,382	18.5	38,354	13.1	2,495	39.2

Tax year	Taxable pensions and annuities		Total rent and royalty net income (less loss)		Partnership and S Corporation net income (less loss)		Total itemized deductions after limitation <sup>2</sup>		Charitable contributions deduction		Total earned income credit	
	Amount (Constant 1982-84 dollars) <sup>1</sup>	Percentage increase	Amount (Constant 1982-84 dollars) <sup>1</sup>	Percentage increase	Amount (Constant 1982-84 dollars) <sup>1</sup>	Percentage increase	Amount (Constant 1982-84 dollars) <sup>1</sup>	Percentage increase	Amount (Constant 1982-84 dollars) <sup>1</sup>	Percentage increase	Amount (Constant 1982-84 dollars) <sup>1</sup>	Percentage increase
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
1979.....	51,441	N/A	6,668	N/A	20,222	N/A	253,676	N/A	30,593	N/A	2,826	N/A
1980.....	52,597	2.2	4,982	-25.3	12,256	-39.4	264,597	4.3	31,322	2.4	2,410	-14.7
1981.....	57,081	8.5	3,368	-32.4	-1,050	<sup>3</sup>	282,121	6.6	33,884	8.2	2,103	-12.7
1982.....	62,304	9.2	-2,238	<sup>3</sup>	-1,822	-73.5	294,825	4.5	34,686	2.4	1,840	-12.5
1983.....	70,094	12.5	-5,409	-141.7	-530	70.9	310,877	5.4	37,829	9.1	1,801	-2.1
1984.....	77,428	10.5	-9,127	-68.7	-2,183	-311.9	345,405	11.1	40,539	7.2	1,574	-12.6
1985.....	88,379	14.1	-12,048	-32.0	-2,348	-7.6	376,416	9.0	44,575	10.0	1,940	23.3
1986.....	98,263	11.2	-13,953	-15.8	-5,346	-127.7	407,900	8.4	49,102	10.2	1,831	-5.6
1987.....	109,819	11.8	-8,147	41.6	21,403	<sup>3</sup>	345,088	-15.4	43,683	-11.0	3,460	89.0
1988.....	117,317	6.8	-1,081	86.7	48,250	125.4	334,080	-3.2	43,068	-1.4	4,984	44.0
1989.....	118,837	1.3	-1,160	-7.3	50,881	5.5	347,563	4.0	44,725	3.8	5,319	6.7
1990.....	121,878	2.6	2,880	<sup>3</sup>	51,279	0.8	350,792	0.9	43,797	-2.1	5,771	8.5
1991.....	129,590	6.3	3,814	32.4	46,395	-9.5	343,382	-2.1	44,474	1.5	7,676	33.0
1992.....	132,924	2.6	6,878	80.3	62,474	34.7	343,511	<sup>3</sup>	45,505	2.3	8,682	13.1
1993.....	134,266	1.0	9,280	34.9	64,269	2.9	339,380	-1.2	47,304	4.0	10,752	23.8
1994.....	138,625	3.2	10,774	16.1	77,183	20.1	333,100	-1.9	47,601	0.6	14,241	32.4
1995.....	145,048	4.6	11,281	4.7	82,515	6.9	346,046	3.9	49,207	3.4	17,031	19.6
1996.....	152,190	4.9	13,107	16.2	93,550	13.4	364,908	5.5	54,914	11.6	18,372	7.9
1997.....	161,813	6.3	13,935	6.3	104,874	12.1	386,798	6.0	61,802	12.5	18,934	3.1

N/A - Not applicable.

<sup>1</sup> Constant dollars were calculated using the U.S. Bureau of Labor Statistics consumer price index for urban consumers (CPI-U, 1982-84=100). See footnote 1 of this article for further details.

<sup>2</sup> Itemized deductions for 1991 and later years were limited if adjusted gross income exceeded specified levels.

<sup>3</sup> Percentage not calculated.

## Individual Income Tax Returns, 1997

Arrangement distributions showed substantial increases for recent years, with the 1997 amount more than 3.5 times the level shown for 1988. Taxable Social Security benefits in-

creased each year since 1988. The large increase for 1994 reflected the change in law requiring up to 85 percent (from a maximum of 50 percent) of Social Security benefits to be included in taxable income for some beneficiaries. Taxable pensions and annuities increased annually since 1979, with double-digit growth for 1983 through 1987. Tax Year 1997 levels were over three times the amount reported for 1979. Total rent and royalty net income (less losses) and partnership and S Corporation net income (less losses) both showed large increases and large decreases over time. For most of the 1980's, rent and royalty net income (less losses) decreased annually, and for many years, the total was negative. This trend changed with TRA86 and its passive loss rules [8]. For 1991, this item finally reached a level exceeding the amount reported for 1981, and continued to increase through 1997 to a level more than double the 1979 amount. Similarly, partnership and S Corporation net income (less losses) was negative from 1981 through 1986. For 1987, this item reached a level higher than the amount reported for 1979. Partnership and S Corporation net income (less losses) more than doubled between 1987 and 1988, and, except for a decline for 1991, steadily increased through 1997. The real Tax Year 1997 amount was more than five times the amount reported for 1979.

The inflation-adjusted amount of total itemized deductions increased from 1979 through 1986, then declined for the next 2 years because of provisions in TRA86. The amounts increased slightly for 1989 and 1990, but declined for 1991, when itemized deductions were limited for taxpayers with AGI above certain income thresholds. Total itemized deductions increased through the years 1995 to 1997. During this same period, the real itemized deduction for charitable contributions increased each year until 1987, when provisions of TRA86 disallowed the deduction of charitable contributions for non-itemizers. Since 1987, this deduction showed only

**The alternative minimum tax increased 39.2 percent for 1997, the largest increase since 1993.**

small variations until 1996 when constant-dollar charitable contributions increased 11.6 percent over the previous year, which was followed by a 12.5-percent increase for 1997. For these last 2 years, over half of this growth was due to nearly 100-percent growth in other than cash contributions. In constant dollars, these grew from \$8.9 billion in 1996 to \$17.4 billion in 1997.

Much of the fluctuation in alternative minimum tax (AMT) liability shown for 1988 through 1997 reflects the changes in law. The AMT showed high growth for 1991, coinciding with increase in the AMT rate from 21 percent to 24 percent. The double-digit growth returned for 1993 when the AMT rate increased again, from 24 percent to 26 percent, with a new rate of 28 percent applying to alternative minimum taxable income exceeding certain levels. In addition, the AMT exemption amounts increased for 1993, as did the corresponding levels at which the exemption amounts were phased out. The next substantial increase in AMT liability was for 1996 when, although no law changes were instituted, AMT increased 19.3 percent. This was followed for 1997 by a 39.2-percent increase in the AMT, the largest increase since 1993. The size of the AMT exemptions and the AMT income level at which the rate increases from 26 percent to 28 percent have not been indexed for inflation annually, whereas the widths of regular income tax rate brackets and the sizes of personal exemptions have been inflation-adjusted. Thus, year-to-year inflation may cause more taxpayers to be affected by the AMT and increase the amount of AMT liability.

With the exception of 1985, the real value of the total earned income credit declined from 1980 through 1986. Tax Year 1987 showed the largest percentage increase in the EIC, 89.0 percent, primarily due to the increases in both the rate and the base of the credit. Since 1987, total EIC increased each year, exhibiting double-digit growth for many of these years. Beginning with Tax Year 1991, the EIC was comprised of three component credits, with the maximum amount of the credit for 1991 being more than twice the maximum for 1990. OBRA93 modified the EIC by expanding the eligibility requirements to allow taxpayers without children to qualify for the credit and eliminating the health insurance credit and extra credit components of the EIC. In addition, the income eligibility levels and the maxi-

## Individual Income Tax Returns, 1997

imum amounts of the credit increased. The increase for 1997, at 3.1 percent, is the smallest percent increase since the EIC actually declined in 1986.

### Summary

Both AGI and taxable income grew more than four times as rapidly as the annual rate of inflation (2.3 percent) for 1997. AGI increased 9.6 percent, and taxable income increased 11.0 percent. These substantial increases led to an 11.1-percent increase in total income tax. The total average tax rate increased 0.2 percentage points to 14.7 percent, but (with one exception), the rate declined for every individual income-size class. In addition, tax as a percentage of real GDP, 6.2 percent for 1997, was the highest since 1982, but was still considerably less than the levels reported for 1979-1981.

The largest components of AGI, salaries and wages and capital gains (less losses), increased 7.0 percent and 41.4 percent, respectively. A number of other income items contributed to the substantial growth of AGI: taxable Individual Retirement Arrangement distributions increased 21.2 percent; dividends increased 15.6 percent; partnership and S Corporation net income (less losses) increased 14.7 percent; and taxable pensions and annuities increased 8.8 percent. Total tax credits rose \$875 million for 1997, with increases in the earned income credit and the foreign tax credit accounting for 84.5 percent of that increase.

### Changes in Law

The following is a list of Federal tax law and Internal Revenue Service administrative changes that had a major bearing on the 1997 data presented in this article. In general, the definitions used in this article are the same as those in section 4 of *Statistics of Income—Individual Income Tax Returns 1996—Publication 1304*.

**Adoption Credit.**—New for 1997, certain taxpayers were able to take a nonrefundable tax credit for qualifying expenses paid to adopt an eligible child. The credit could be as much as \$5,000 for each child (\$6,000 for a child with special needs), and would be phased out for AGI's between \$75,000 and \$115,000. There is also an income exclusion of up to \$5,000 for employer-provided adoption expenses. Both the credit for non-special needs adoptions and the exclusion will expire on December 31, 2001.

This was a provision in the Small Business Job Protection Act of 1996.

**Capital Gain Distributions.**—Beginning with Tax Year 1997, all capital gain distributions had to be reported on Schedule D, even if there were no other capital gains or losses.

**Capital Gain Rate.**—The maximum long-term capital gain tax rate for sales or exchanges of property after May 6, 1997, was reduced to 20 percent (10 percent for taxpayers in the 15-percent tax bracket). Capital gains realized between May 7, 1997, and July 28, 1997, were taxed at this lower long-term capital gain rate if held for 12 months or more. Capital gains realized after July 28, 1997, were taxed at the long-term capital gain rate if held for 18 months or more. Most other long-term gains were still taxed at a maximum of 28 percent. However, the maximum rate on gains from the sale of certain depreciable real property was reduced only to 25 percent. Therefore, for 1997, the maximum long-term capital gain tax rate could be 10 percent, 20 percent, 25 percent, 28 percent, or a combination of those rates. Previously, the maximum rate was 28 percent. The new maximum capital gain rates are also used in figuring the alternative minimum tax.

**Earned Income Credit.**—Several changes were made to the earned income credit for 1997. The maximum amount of the earned income credit increased, as did the amounts of earned income and AGI an individual could have and still claim the credit. Taxpayers with more than \$2,250 of investment income (up from \$2,200 for 1996) were not eligible for the earned income credit. For most people, investment income includes interest (taxable and tax-exempt), dividend income, and capital gain net income. The maximum credit for taxpayers with no qualifying children increased 2.7 percent for 1997, from \$323 to \$332. For these taxpayers, earned income and AGI had to be less than \$9,770 (up from \$9,500 for 1996). For taxpayers with one qualifying child, the maximum credit for 1997 increased 2.7 percent, from \$2,152 to \$2,210. For taxpayers with two or more qualifying children, the maximum credit increased \$100 to \$3,656 for 1997. To be eligible for the credit, a taxpayer's earned income and AGI had to be less than \$25,760 for one qualifying child (up from \$25,078 for 1996), or less than \$29,290 for two or more qualifying children (up from \$28,495 for 1996).

## Individual Income Tax Returns, 1997

*Exemption Amount.*—Indexing for inflation allowed most taxpayers to claim a \$2,650 deduction for each exemption to which he or she was entitled for 1997, a \$100 increase over the amount allowed for 1996. The AGI threshold for the reduction of exemption amounts was also indexed for inflation, from \$117,950 to \$121,200 for single filers; \$176,950 to \$181,800 for married persons filing jointly and surviving spouses; \$147,450 to \$151,500 for heads of household; and \$88,475 to \$90,900 for married persons filing separately.

*Individual Retirement Arrangements (IRA's).*—For 1997, married couples filing a joint tax return could contribute up to \$2,000 to each spouse's IRA, even if one spouse had little or no compensation. Therefore, the couple's total combined IRA contributions could be as high as \$4,000 for the year. Previously, if one spouse had no compensation or elected to be treated as having no compensation, the total combined IRA contributions could not be more than \$2,250.

*Itemized Deductions.*—If a taxpayer's AGI was greater than \$121,200 (\$60,600 if married filing separately), some types of his or her itemized deductions were limited; this threshold increased from \$117,950 (\$58,975) for 1996 as a result of indexing for inflation. The limitation did not apply to deductions for medical and dental expenses, investment interest expenses, casualty or theft losses, and gambling losses; all other deductions were subject to the limitation. To arrive at allowable itemized deductions, total itemized deductions were reduced by the smaller of: (1) 80 percent of the "non-limited" deductions or (2) 3 percent of AGI in excess of the limitation threshold.

*Medical Savings Accounts.*—A new adjustment for 1997, this pilot program for tax deferred medical savings was included in the Health Insurance Portability and Accountability Act of 1996. Eligible taxpayers either had to be self-employed or participate in a high deductible employer-sponsored health plan (limited to employers of no more than 50 employees over the preceding 2 years). Maximum annual contributions were limited to 65 percent of the deductible for individual coverage and 75 percent of the deductible for family coverage. Any distributions for qualified medical purposes were not taxed. However, if other distributions were made before age

65, disability, or death, they would be included in income and subject to an additional 15-percent tax.

*Sale of a Home.*—Taxpayers who sold their primary residence after May 6, 1997, were generally able to exclude from income up to \$250,000 (\$500,000 for married couples filing a joint tax return) of the gain on the sale of their homes.

*Self-Employed Health Insurance Deduction.*—Included in the Health Insurance and Portability and Accountability Act of 1996 was a provision to increase the maximum percentage of self-employed health insurance premiums that a taxpayer could deduct as an adjustment, from 30 percent in 1996 to 40 percent for 1997.

*Self-Employment Tax.*—The ceiling on taxable "self-employment income" was increased for 1997 due to indexing. The maximum amount of net earnings applied to the Social Security part of self-employment tax increased to \$65,400 from \$62,700 for 1996.

*Standard Deduction.*—The basic standard deduction and additional standard deduction for age or blindness increased for 1997 as a result of inflation indexing. For single filers, the basic standard deduction rose from \$4,000 to \$4,150; for married persons filing jointly or surviving spouses, from \$6,700 to \$6,900; for married persons filing separately, from \$3,350 to \$3,450; and for heads of household, from \$5,900 to \$6,050. The basic standard deduction claimed by filers who were dependents of other taxpayers remained at \$650. The additional standard deduction for people age 65 or older or the blind remained at \$1,000 for single filers and heads of households, and \$800 for married persons filing jointly, surviving spouses, and married persons filing separately.

*Tax Brackets.*—To counterbalance the effects of inflation, the boundaries for the tax brackets were widened. The 15-percent bracket applied to taxable income equal to or below \$24,651 (\$24,000 for 1996) for single filers; \$41,200 (\$40,100 for 1996) for joint filers or surviving spouses; \$20,600 (\$20,050 for 1996) for married persons filing separately; and \$33,050 (\$32,150 for 1996) for heads of household. The 28-percent tax bracket applied to taxable income in excess of the 15-percent bracket ceiling and equal to or below \$59,750 (\$58,150 for 1996) for single filers; \$99,600 (\$96,900 for 1996)

## Individual Income Tax Returns, 1997

for joint filers or surviving spouses; \$49,800 (\$48,450 for 1996) for married persons filing separately; and \$85,350 (\$83,050 for 1996) for heads of household. The 31-percent tax bracket applied to taxable income in excess of the 28-percent bracket ceiling and equal to or below \$124,650 (\$121,300 for 1996) for single filers; \$151,750 (\$147,700 for 1996) for joint filers or surviving spouses; \$75,875 (\$73,850 for 1996) for married persons filing separately; and \$138,200 (\$134,500 for 1996) for heads of households. The 36-percent tax bracket applied to taxable income in excess of the 31-percent bracket ceiling and equal to or below \$271,050 (\$263,750 for 1996) for single filers, joint filers or surviving spouses, and heads of households and \$135,525 (\$131,875 for 1996) for married persons filing separately. The 39.6-percent tax rate applied to taxable income in excess of the upper boundary for the 36-percent tax bracket.

### Data Sources and Limitations

These statistics are based on a sample of individual income tax returns (Forms 1040, 1040A, 1040EZ, and 1040PC, including electronically-filed returns) filed during Calendar Year 1997. Returns in the sample were stratified based on: (1) the larger of positive income or negative income; (2) the size of business and farm receipts; (3) the presence or absence of specific forms or schedules; and (4) the usefulness of returns for tax policy modeling purposes [9]. Returns were then selected at rates ranging from 0.02 percent to 100 percent. The 1997 data are based on a sample of 124,768 returns and an estimated final population of 122,421,991 returns. The corresponding sample and population for the 1996 data were 126,420 and 120,917,968 returns, respectively.

Since the data presented here are estimates based on a sample of returns filed, they are subject to sampling error. To properly use the statistical data provided, the magnitude of the potential sampling error must be known; coefficients of variation (CV's) are used to measure that magnitude. Figure M shows estimated CV's for the numbers of returns and money amounts for selected income items. The reliability of estimates based on samples, and the use of coefficients of variation for evaluating the precision of estimates based on samples, are discussed in the appendix to this issue of the *Bulletin*.

### Notes and References

- [1] U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*. The Consumer Price Index (CPI-U) for each year represents an annual average of monthly indices. CPI-U approximates the prices of goods and services purchased by typical urban consumers (1982-84=100):

<u>Year</u>	<u>CPI-U</u>	<u>Year</u>	<u>CPI-U</u>
1997	160.5	1987	113.6
1996	156.9	1986	109.6
1995	152.4	1985	107.6
1994	148.2	1984	103.9
1993	144.5	1983	99.6
1992	140.3	1982	96.5
1991	136.2	1981	90.9
1990	130.7	1980	82.4
1989	124.0	1979	72.6
1988	118.3		

- [2] U.S. Department of Labor, Bureau of Labor Statistics, *Household Data-Annual Averages*. The unemployment rate is calculated as the percent of the labor force that is unemployed.
- [3] For purposes of this article, total negative income is a compilation of all income items on individual income tax returns (Forms 1040, 1040A, 1040EZ, 1040PC, and electronically-filed returns) for which a net loss for an income category was reported by the taxpayer. The Form 1040 income tax return entry for Schedule E, *Supplemental Income and Loss (From rental real estate, royalties, partnerships, S Corporations, estates, trusts, REMICs, etc.)*, was separated into the following components: rent and royalty net loss, partnership and S Corporation net loss, and estate and trust net loss. When any of these components was negative on a return, the corresponding loss (rather than the netted total amount from Schedule E) was included in the statistics for total net loss. For example, if a return showed estate and trust net income of \$20,000 and rent and royalty net loss of \$12,000, total net loss would include the \$12,000 of estate and trust net loss, rather than the \$8,000 netted total of both sources of supplemental income.
- [4] Net operating loss is a carryover of the loss from

# Individual Income Tax Returns, 1997

Figure M

## Coefficients of Variation for Selected Items, Tax Year 1997

[Number of returns is in thousands--money amounts are in millions of dollars--coefficients of variation are percentages]

Item	Number of returns	Coefficient of variation	Amount	Coefficient of variation
	(1)	(2)	(3)	(4)
Adjusted gross income (less deficit).....	122,422	0.04	4,969,950	0.15
Salaries and wages.....	104,405	0.17	3,613,918	0.27
Business or profession:				
Net income.....	12,702	0.60	210,585	1.16
Net loss.....	4,236	1.73	23,844	2.34
Net capital gain (less loss) reported on Schedule D:				
Net gain.....	19,765	0.83	364,829	0.67
Net loss.....	4,475	1.96	8,746	2.11
Taxable Individual Retirement Arrangement distributions.....	6,214	1.76	55,183	2.93
Taxable pensions and annuities.....	19,497	0.92	259,711	1.34
Partnership and S Corporation:				
Net income.....	3,918	1.68	213,559	0.95
Net loss.....	2,115	2.56	45,236	1.74
Estate and trust:				
Net income.....	458	5.18	9,016	4.18
Net loss.....	50	14.94	882	9.36
Unemployment compensation.....	7,124	1.85	17,230	2.47
Taxable Social Security benefits.....	8,308	1.37	61,558	1.66
Other income:				
Net income.....	4,499	2.00	22,787	3.01
Net loss.....	238	7.83	3,702	6.16
Payments to an Individual Retirement Arrangement.....	4,069	2.21	8,663	2.24
Moving expenses adjustment.....	781	5.41	1,848	7.77
Self-employment tax deduction.....	13,513	0.70	14,868	1.11
Self-employed health insurance deduction.....	3,285	1.75	3,870	1.94
Total statutory adjustments.....	18,786	0.73	46,955	1.23
Total standard deduction.....	84,844	0.24	441,696	0.32
Interest paid deduction.....	30,790	0.62	250,599	0.68
Taxes paid deduction.....	36,095	0.54	220,628	0.46
Charitable contributions deduction.....	32,613	0.58	99,192	0.90
Total itemized deductions after limitation.....	36,625	0.53	620,810	0.51
Taxable income.....	99,316	0.23	3,429,109	0.19
Total earned income credit.....	19,391	0.98	30,389	1.22
Foreign tax credit.....	2,334	1.49	4,073	3.59
Total tax credits.....	16,195	1.12	12,179	1.57
Total income tax.....	93,471	0.25	731,321	0.23

a business when AGI for a prior year was less than zero. The loss could be applied to the AGI for the current year and carried forward for up to 15 years. Net operating loss is included in other income on individual tax returns but edited separately for Statistics of Income purposes.

[5] The percentage increase in the New York Stock Exchange (NYSE) Composite Index was based on the following quotes: the NYSE Composite Index closed on December 31, 1996 at \$392.3 per share; and on December 31, 1997, at \$511.19 per share. Historical quotes were obtained at



## Individual Income Tax Returns, 1997

www.bigcharts.com.

- [6] The remaining 0.8 percent of the returns did not claim either a standard deduction or itemized deductions because no AGI was reported.
- [7] Average AGI is defined as the amount of AGI divided by the number of returns filed. Average taxable income is defined as the amount of taxable income divided by the number of returns with taxable income. Average total income tax is defined as the amount of total income tax divided by the number of taxable returns. Taxable returns are defined as returns with “total income tax” (the sum of income tax after credits, the alternative minimum tax, and tax on Form 4970, *Tax on Accumulation Distribution of Trusts*) present. Tax on Form 4970 (not in the statistical tables) was \$13.1 million for 1997. This tax, previously part of income tax after credits, was included in “other taxes” for 1997.
- [8] Losses generated by any “flow-through” business activity (i.e., such as partnerships or S Corporations for which profits and certain other

amounts are passed through to the owners for taxation) in which the taxpayer did not “materially participate” (i.e., was not involved regularly and substantially in the operations of the activity) are categorized as passive activity losses. TRA86 gradually eliminated the use of passive losses as offsets to nonpassive income, such as salaries and wages. TRA86 provided for a 5-year phase-in (ending in 1991) of the limitations on passive losses for investments made prior to 1987; since Tax Year 1991, the restrictions applied to all passive losses. However, exceptions up to \$25,000 were made for certain real estate losses. Under prior law, passive losses were fully deductible.

- [9] Returns in the sample were stratified based on the presence or absence of one or more of the following forms or schedules: Form 2555, *Foreign Earned Income*; Form 1116, *Foreign Tax Credit (Individual, Fiduciary, or Nonresident Alien Individual)*; Schedule C, *Profit or Loss from Business (Sole Proprietorship)*; and Schedule F, *Profit or Loss From Farming*.

SOURCE: IRS, Statistics of Income Bulletin, Fall 1999, Publication 1136 (Rev. 12-99)

# Individual Income Tax Returns, 1997

**Table 1.--All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income**

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

Size of adjusted gross income	Number of returns	Adjusted gross income (less deficit)	Salaries and wages		Taxable interest		Tax-exempt interest <sup>1</sup>	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
			(1)	(2)	(3)	(4)	(5)	(6)
<b>All returns.....</b>	<b>122,421,991</b>	<b>4,969,949,986</b>	<b>104,404,985</b>	<b>3,613,918,456</b>	<b>67,300,571</b>	<b>171,700,242</b>	<b>4,925,914</b>	<b>49,016,921</b>
No adjusted gross income.....	918,707	-53,507,056	327,478	7,248,928	539,301	3,671,213	41,639	501,462
\$1 under \$5,000.....	13,935,880	36,502,025	11,044,859	31,354,347	4,443,214	2,341,274	115,472	236,079
\$5,000 under \$10,000.....	13,414,246	100,435,533	10,852,034	76,132,337	4,280,131	4,873,190	108,202	280,048
\$10,000 under \$15,000.....	13,174,125	164,474,911	10,528,493	122,537,160	4,928,357	8,616,970	220,012	775,284
\$15,000 under \$20,000.....	11,393,805	198,651,374	9,412,669	151,803,401	4,769,850	9,308,586	185,673	512,365
\$20,000 under \$25,000.....	9,944,745	222,845,058	8,548,447	178,940,083	4,602,413	7,826,168	188,236	724,806
\$25,000 under \$30,000.....	8,064,922	221,433,117	7,143,718	180,432,297	4,058,145	6,340,853	171,871	914,690
\$30,000 under \$40,000.....	12,966,743	450,251,891	11,668,852	371,924,531	7,805,470	11,965,797	327,257	2,112,359
\$40,000 under \$50,000.....	9,787,857	437,634,246	8,903,924	361,281,869	6,896,742	11,679,457	397,108	2,456,055
\$50,000 under \$75,000.....	15,180,241	924,955,724	13,797,463	749,093,373	12,231,779	23,711,636	893,102	4,331,718
\$75,000 under \$100,000.....	6,454,920	553,971,683	5,855,404	438,521,672	5,868,356	13,339,387	616,703	4,935,184
\$100,000 under \$200,000.....	5,377,899	707,810,825	4,794,200	500,332,490	5,105,639	22,430,227	950,088	9,031,016
\$200,000 under \$500,000.....	1,401,734	404,313,870	1,182,652	234,973,041	1,369,065	15,807,555	489,432	8,550,861
\$500,000 under \$1,000,000.....	261,708	176,669,572	222,459	85,574,669	258,489	7,759,317	129,559	4,143,428
\$1,000,000 or more.....	144,459	423,507,211	122,332	123,768,259	143,620	22,028,614	91,560	9,511,566
<b>Taxable returns.....</b>	<b>93,471,200</b>	<b>4,765,197,106</b>	<b>80,739,506</b>	<b>3,405,123,268</b>	<b>59,989,239</b>	<b>159,627,860</b>	<b>4,672,260</b>	<b>47,111,162</b>
<b>Nontaxable returns.....</b>	<b>28,950,791</b>	<b>204,752,879</b>	<b>23,665,479</b>	<b>208,795,189</b>	<b>7,311,332</b>	<b>12,072,381</b>	<b>253,653</b>	<b>1,905,759</b>

Size of adjusted gross income	Dividends		State income tax refunds		Alimony received		Business or profession	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>All returns.....</b>	<b>29,507,639</b>	<b>120,493,432</b>	<b>19,218,388</b>	<b>14,094,351</b>	<b>413,109</b>	<b>4,965,883</b>	<b>12,701,731</b>	<b>210,585,238</b>
No adjusted gross income.....	264,013	1,039,802	48,035	130,063	556	3,956	110,993	1,324,107
\$1 under \$5,000.....	2,053,670	1,316,722	69,448	30,520	22,258	64,022	977,901	2,696,565
\$5,000 under \$10,000.....	1,371,907	1,976,782	141,174	61,103	38,148	242,589	1,407,188	8,276,768
\$10,000 under \$15,000.....	1,645,993	2,807,572	315,194	115,032	55,640	365,220	1,227,182	9,940,586
\$15,000 under \$20,000.....	1,699,034	3,486,449	453,817	152,415	49,118	327,866	1,003,279	10,170,196
\$20,000 under \$25,000.....	1,517,091	3,155,978	687,553	285,051	35,278	272,160	801,651	8,381,516
\$25,000 under \$30,000.....	1,390,582	2,903,944	881,963	327,955	46,420	485,897	735,194	7,426,364
\$30,000 under \$40,000.....	2,762,689	5,549,990	2,312,346	937,535	65,198	787,967	1,327,656	14,918,077
\$40,000 under \$50,000.....	2,719,875	5,773,412	2,573,838	1,177,226	33,380	419,488	1,088,526	14,973,208
\$50,000 under \$75,000.....	5,609,872	13,899,280	5,659,244	2,914,061	33,525	705,553	1,843,882	29,740,274
\$75,000 under \$100,000.....	3,273,785	11,711,396	2,868,396	1,860,433	19,809	508,571	846,855	19,078,955
\$100,000 under \$200,000.....	3,653,889	21,923,914	2,380,517	2,350,807	11,657	622,421	937,173	41,217,850
\$200,000 under \$500,000.....	1,169,764	16,820,643	620,347	1,418,622	1,577	75,303	318,244	28,080,517
\$500,000 under \$1,000,000.....	238,766	7,855,543	128,965	703,905	329	35,644	50,525	7,327,209
\$1,000,000 or more.....	136,709	20,272,005	77,553	1,629,623	214	49,225	25,482	7,033,045
<b>Taxable returns.....</b>	<b>27,213,428</b>	<b>115,739,458</b>	<b>18,516,361</b>	<b>13,629,990</b>	<b>320,572</b>	<b>4,473,444</b>	<b>9,152,012</b>	<b>185,478,766</b>
<b>Nontaxable returns.....</b>	<b>2,294,211</b>	<b>4,753,973</b>	<b>702,027</b>	<b>464,361</b>	<b>92,537</b>	<b>492,439</b>	<b>3,549,719</b>	<b>25,106,472</b>

Footnotes at end of table.

# Individual Income Tax Returns, 1997

**Table 1.--All Returns: Sources of Income and Adjustments, 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	Business or profession--continued		Sales of capital assets reported on Form 1040, Schedule D					
	Net loss		Taxable net gain		Taxable net loss		Short-term capital gain	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>All returns.....</b>	<b>4,235,845</b>	<b>23,844,022</b>	<b>19,765,289</b>	<b>364,828,909</b>	<b>4,474,823</b>	<b>8,745,642</b>	<b>5,361,943</b>	<b>37,288,962</b>
No adjusted gross income.....	311,165	5,275,244	154,722	6,052,898	185,528	435,498	49,423	607,343
\$1 under \$5,000.....	124,192	651,754	1,478,383	1,678,706	199,000	309,267	213,585	142,831
\$5,000 under \$10,000.....	169,575	821,061	924,458	2,201,549	234,941	463,772	165,127	229,036
\$10,000 under \$15,000.....	261,062	1,235,699	995,425	2,584,976	262,034	536,481	221,883	315,561
\$15,000 under \$20,000.....	293,048	1,320,609	1,000,518	3,132,558	245,602	475,884	227,753	338,285
\$20,000 under \$25,000.....	255,350	925,632	920,639	3,126,973	240,604	394,296	201,083	378,562
\$25,000 under \$30,000.....	254,075	1,145,160	885,257	3,025,143	229,543	433,832	215,664	446,572
\$30,000 under \$40,000.....	503,058	1,825,068	1,763,427	6,123,118	399,001	764,214	426,653	715,338
\$40,000 under \$50,000.....	406,565	1,561,125	1,803,804	7,372,953	363,712	728,700	505,264	1,006,238
\$50,000 under \$75,000.....	834,079	3,181,731	3,622,625	20,605,638	760,783	1,389,168	926,121	2,582,195
\$75,000 under \$100,000.....	388,860	1,711,076	2,204,737	18,438,787	496,267	992,515	643,585	2,103,047
\$100,000 under \$200,000.....	320,963	1,807,215	2,741,358	45,265,420	604,226	1,214,473	971,654	5,870,916
\$200,000 under \$500,000.....	88,569	956,432	949,130	49,579,908	197,234	461,202	422,456	5,906,973
\$500,000 under \$1,000,000.....	15,974	420,720	200,891	32,263,580	38,122	97,446	104,222	3,416,950
\$1,000,000 or more.....	9,311	1,005,498	119,915	163,376,702	18,223	48,894	67,472	13,229,115
<b>Taxable returns.....</b>	<b>3,432,016</b>	<b>16,103,193</b>	<b>18,429,944</b>	<b>356,580,182</b>	<b>3,720,240</b>	<b>7,179,203</b>	<b>5,032,366</b>	<b>36,030,596</b>
<b>Nontaxable returns.....</b>	<b>803,829</b>	<b>7,740,829</b>	<b>1,335,345</b>	<b>8,248,727</b>	<b>754,583</b>	<b>1,566,438</b>	<b>329,577</b>	<b>1,258,366</b>

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D--continued					
	Short-term capital loss		Short-term loss carryover		Short-term gain from other forms (Forms 2119, 6252, etc.)	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)
<b>All returns.....</b>	<b>3,225,743</b>	<b>41,287,212</b>	<b>785,335</b>	<b>24,707,296</b>	<b>159,039</b>	<b>2,216,697</b>
No adjusted gross income.....	100,389	4,481,255	59,868	3,449,432	7,198	44,641
\$1 under \$5,000.....	110,884	717,362	32,843	568,590	*1,367	*6,843
\$5,000 under \$10,000.....	119,478	1,070,993	31,712	699,481	*2,896	*2,505
\$10,000 under \$15,000.....	138,259	1,072,608	32,208	663,272	*4,560	*5,935
\$15,000 under \$20,000.....	126,452	770,221	34,081	542,744	12,281	9,438
\$20,000 under \$25,000.....	124,714	1,002,907	23,004	700,595	*2,997	*13,208
\$25,000 under \$30,000.....	116,952	1,231,319	45,338	962,285	*4,714	*52,016
\$30,000 under \$40,000.....	233,027	1,880,625	61,981	1,065,205	13,497	19,865
\$40,000 under \$50,000.....	219,598	1,426,589	54,020	809,502	9,711	81,235
\$50,000 under \$75,000.....	531,352	4,532,097	99,330	2,730,777	33,239	90,357
\$75,000 under \$100,000.....	437,823	3,408,832	90,724	2,150,904	14,834	42,643
\$100,000 under \$200,000.....	597,292	6,255,094	122,498	3,958,650	25,250	218,007
\$200,000 under \$500,000.....	258,143	5,314,524	68,448	3,208,490	15,254	235,295
\$500,000 under \$1,000,000.....	67,256	2,459,457	18,210	1,160,101	5,314	199,388
\$1,000,000 or more.....	44,123	5,663,330	11,070	2,037,269	5,929	1,195,320
<b>Taxable returns.....</b>	<b>2,843,644</b>	<b>32,713,027</b>	<b>627,048</b>	<b>18,778,616</b>	<b>139,365</b>	<b>2,137,371</b>
<b>Nontaxable returns.....</b>	<b>382,099</b>	<b>8,574,185</b>	<b>158,287</b>	<b>5,928,681</b>	<b>19,675</b>	<b>79,326</b>

Footnotes at end of table.

# Individual Income Tax Returns, 1997

**Table 1.--All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income--Continued**

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

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D--continued							
	Short-term loss from other forms (Forms 4684, 6781, and 8824)		Long-term capital gain		Long-term capital loss		Long-term loss carryover	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
<b>All returns.....</b>	<b>84,077</b>	<b>864,940</b>	<b>18,854,864</b>	<b>341,335,816</b>	<b>3,456,193</b>	<b>58,011,569</b>	<b>1,772,205</b>	<b>48,931,207</b>
No adjusted gross income.....	4,864	75,148	162,145	6,154,878	143,067	7,662,553	96,356	6,539,143
\$1 under \$5,000.....	*1,566	*8,378	1,420,039	1,648,615	159,623	1,474,934	79,204	1,260,735
\$5,000 under \$10,000.....	--	--	895,409	2,195,008	190,400	2,035,154	98,828	1,763,646
\$10,000 under \$15,000.....	*3,735	*3,245	933,162	2,434,865	205,375	2,581,693	108,021	1,945,078
\$15,000 under \$20,000.....	*3,605	*6,990	943,166	2,886,325	199,176	2,413,613	87,859	1,790,137
\$20,000 under \$25,000.....	*1,460	*1,728	883,209	2,864,275	182,929	1,755,321	76,861	1,500,152
\$25,000 under \$30,000.....	*1,596	*12,825	812,155	2,816,329	192,867	2,489,367	84,610	2,203,996
\$30,000 under \$40,000.....	7,252	30,476	1,628,634	5,770,896	311,518	3,644,229	124,373	2,929,803
\$40,000 under \$50,000.....	*1,159	*6,197	1,692,100	6,783,108	283,548	3,198,766	146,440	2,505,687
\$50,000 under \$75,000.....	14,292	35,297	3,432,695	18,902,952	581,586	7,579,680	284,022	6,815,888
\$75,000 under \$100,000.....	9,781	39,193	2,136,009	17,145,988	358,905	5,283,697	184,537	4,392,131
\$100,000 under \$200,000.....	16,567	89,391	2,663,284	41,573,461	454,375	8,173,355	261,542	7,171,404
\$200,000 under \$500,000.....	7,043	66,069	933,833	45,927,371	149,359	5,051,048	101,537	4,167,668
\$500,000 under \$1,000,000.....	4,070	79,815	198,896	30,076,907	29,063	1,885,982	23,260	1,522,659
\$1,000,000 or more.....	7,087	410,190	120,127	154,154,836	14,400	2,782,177	14,754	2,423,078
<b>Taxable returns.....</b>	<b>70,664</b>	<b>739,939</b>	<b>17,584,516</b>	<b>332,582,581</b>	<b>2,884,588</b>	<b>43,713,830</b>	<b>1,437,875</b>	<b>36,723,383</b>
<b>Nontaxable returns.....</b>	<b>13,414</b>	<b>125,001</b>	<b>1,270,348</b>	<b>8,753,235</b>	<b>571,605</b>	<b>14,297,738</b>	<b>334,331</b>	<b>12,207,824</b>

Size of adjusted gross income	Sales of capital assets reported on Form 1040, Schedule D--continued						Sales of property other than capital assets	
	Long-term gain from other forms (Forms 2119, 4797, etc.)		Long-term loss from other forms (Forms 4684, 6781, and 8824)		Schedule D capital gain distributions		Net gain	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)
<b>All returns.....</b>	<b>2,774,253</b>	<b>80,933,881</b>	<b>66,897</b>	<b>1,129,496</b>	<b>14,968,696</b>	<b>45,131,642</b>	<b>876,913</b>	<b>6,321,177</b>
No adjusted gross income.....	75,931	3,370,770	5,284	112,223	101,067	252,004	42,719	553,144
\$1 under \$5,000.....	40,522	149,498	*1,566	*12,565	1,271,077	1,056,697	32,645	104,687
\$5,000 under \$10,000.....	114,012	347,479	--	--	639,965	1,065,110	43,300	142,100
\$10,000 under \$15,000.....	144,972	576,124	*3,735	*4,590	697,281	991,475	43,372	149,951
\$15,000 under \$20,000.....	152,087	649,379	*1,295	*23,033	723,716	1,090,208	64,336	190,455
\$20,000 under \$25,000.....	130,952	700,847	*1,460	*2,590	692,915	1,107,799	42,041	146,518
\$25,000 under \$30,000.....	144,254	662,453	*1,254	*14,896	621,826	1,154,732	46,346	179,330
\$30,000 under \$40,000.....	233,951	1,227,259	6,133	44,353	1,249,518	2,192,319	72,129	376,610
\$40,000 under \$50,000.....	177,109	1,249,880	*254	*932	1,303,135	2,452,979	77,457	350,242
\$50,000 under \$75,000.....	463,894	4,878,784	10,140	50,307	2,677,191	6,165,371	145,429	821,324
\$75,000 under \$100,000.....	307,094	3,875,109	8,576	55,249	1,781,481	5,886,200	67,464	414,834
\$100,000 under \$200,000.....	461,961	10,472,808	14,183	109,603	2,207,594	9,995,267	109,442	818,821
\$200,000 under \$500,000.....	215,043	11,699,950	5,123	92,622	759,010	6,423,978	57,541	867,001
\$500,000 under \$1,000,000.....	64,690	8,092,213	2,969	107,555	153,592	2,201,722	17,829	397,731
\$1,000,000 or more.....	47,781	32,981,328	4,925	498,979	89,327	3,095,782	14,861	808,428
<b>Taxable returns.....</b>	<b>2,461,184</b>	<b>77,126,937</b>	<b>54,261</b>	<b>947,120</b>	<b>14,106,457</b>	<b>44,064,373</b>	<b>708,818</b>	<b>5,378,868</b>
<b>Nontaxable returns.....</b>	<b>313,069</b>	<b>3,806,945</b>	<b>12,636</b>	<b>182,376</b>	<b>862,239</b>	<b>1,067,270</b>	<b>168,095</b>	<b>942,309</b>

Footnotes at end of table.

# Individual Income Tax Returns, 1997

**Table 1.--All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income--Continued**

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

Size of adjusted gross income	Sales of property other than capital assets--continued		Total taxable IRA distributions		Pensions and annuities			
	Net loss				Total		Taxable	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)
<b>All returns.....</b>	<b>867,689</b>	<b>7,781,579</b>	<b>6,214,044</b>	<b>55,182,520</b>	<b>20,948,184</b>	<b>382,935,981</b>	<b>19,496,575</b>	<b>259,711,251</b>
No adjusted gross income.....	63,188	2,595,781	26,441	324,382	112,346	1,671,196	91,921	784,482
\$1 under \$5,000.....	16,171	189,877	103,181	219,010	474,536	1,764,258	442,532	1,039,931
\$5,000 under \$10,000.....	29,224	160,160	316,698	878,250	1,526,513	9,233,895	1,493,759	7,622,110
\$10,000 under \$15,000.....	33,806	243,916	591,439	2,449,165	2,270,516	19,680,252	2,213,189	16,116,863
\$15,000 under \$20,000.....	40,975	128,565	632,280	2,469,982	2,138,842	23,404,626	2,065,577	18,708,685
\$20,000 under \$25,000.....	54,930	312,762	577,765	2,895,027	1,754,001	23,480,611	1,695,653	18,825,288
\$25,000 under \$30,000.....	40,024	85,950	502,378	2,490,796	1,425,967	20,858,587	1,349,833	16,649,589
\$30,000 under \$40,000.....	54,917	282,080	720,880	4,715,775	2,348,301	38,535,117	2,214,424	29,047,124
\$40,000 under \$50,000.....	64,363	182,900	565,045	4,397,403	1,988,430	32,661,252	1,835,131	24,424,657
\$50,000 under \$75,000.....	110,324	517,750	1,028,462	8,876,674	3,497,667	73,906,257	3,156,269	53,565,852
\$75,000 under \$100,000.....	76,632	390,514	532,489	6,890,621	1,577,899	42,455,688	1,401,100	29,876,964
\$100,000 under \$200,000.....	145,749	871,859	471,053	11,258,496	1,410,182	59,944,582	1,201,747	30,730,057
\$200,000 under \$500,000.....	89,381	680,643	115,986	4,806,384	329,222	23,157,539	261,909	8,628,000
\$500,000 under \$1,000,000.....	26,540	425,415	19,088	1,502,945	59,335	6,888,126	46,655	1,948,021
\$1,000,000 or more.....	21,467	713,407	10,860	1,007,610	34,427	5,293,994	26,875	1,743,627
<b>Taxable returns.....</b>	<b>709,745</b>	<b>4,370,294</b>	<b>5,573,873</b>	<b>52,700,021</b>	<b>18,196,583</b>	<b>362,936,657</b>	<b>16,871,441</b>	<b>244,990,214</b>
<b>Nontaxable returns.....</b>	<b>157,944</b>	<b>3,411,285</b>	<b>640,172</b>	<b>2,482,499</b>	<b>2,751,600</b>	<b>19,999,324</b>	<b>2,625,134</b>	<b>14,721,037</b>

Size of adjusted gross income	Rent				Royalty			
	Net income		Net loss (including nondeductible loss)		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)
<b>All returns.....</b>	<b>4,392,747</b>	<b>39,325,711</b>	<b>4,835,625</b>	<b>28,319,569</b>	<b>1,121,873</b>	<b>6,745,227</b>	<b>44,806</b>	<b>157,321</b>
No adjusted gross income.....	79,512	917,253	155,317	2,153,725	20,989	147,958	**1,411	**12,509
\$1 under \$5,000.....	100,691	252,913	79,236	389,786	46,065	40,270	**	**
\$5,000 under \$10,000.....	204,964	684,017	187,169	890,514	44,419	138,409	*1,397	*1,527
\$10,000 under \$15,000.....	311,229	1,261,537	232,102	1,032,178	63,664	109,406	*1,237	*119
\$15,000 under \$20,000.....	307,185	1,268,367	252,800	1,090,027	68,093	156,175	*1,119	*8,335
\$20,000 under \$25,000.....	272,006	1,074,129	279,389	1,238,739	76,310	127,276	*2,194	*12,158
\$25,000 under \$30,000.....	244,280	1,160,347	256,701	1,220,607	48,430	97,497	*3	( <sup>2</sup> )
\$30,000 under \$40,000.....	450,118	1,991,596	496,787	2,400,422	116,238	444,553	*4,610	*1,664
\$40,000 under \$50,000.....	410,389	1,980,205	487,259	2,409,524	86,063	169,204	*7,692	*975
\$50,000 under \$75,000.....	739,658	4,647,264	983,693	5,196,745	162,332	546,330	7,792	64,252
\$75,000 under \$100,000.....	393,995	3,793,451	570,457	3,274,634	117,285	372,820	*3,135	*138
\$100,000 under \$200,000.....	558,144	7,219,024	622,463	4,443,882	161,403	1,018,701	9,964	14,535
\$200,000 under \$500,000.....	229,528	6,440,969	174,989	1,688,228	72,026	1,156,514	2,408	10,666
\$500,000 under \$1,000,000.....	58,175	3,012,558	36,880	458,124	21,009	565,581	1,117	18,275
\$1,000,000 or more.....	32,875	3,622,081	20,381	432,433	17,547	1,654,535	728	12,168
<b>Taxable returns.....</b>	<b>3,806,551</b>	<b>36,490,073</b>	<b>4,231,484</b>	<b>23,827,725</b>	<b>973,835</b>	<b>6,287,086</b>	<b>42,053</b>	<b>143,328</b>
<b>Nontaxable returns.....</b>	<b>586,197</b>	<b>2,835,638</b>	<b>604,141</b>	<b>4,491,844</b>	<b>148,038</b>	<b>458,141</b>	<b>2,753</b>	<b>13,993</b>

Footnotes at end of table.

# Individual Income Tax Returns, 1997

**Table 1.--All Returns: Sources of Income and Adjustments, 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	Farm rental				Total rental and royalty			
	Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
<b>All returns.....</b>	<b>515,094</b>	<b>4,101,320</b>	<b>141,755</b>	<b>572,025</b>	<b>5,524,218</b>	<b>49,348,666</b>	<b>4,651,822</b>	<b>26,982,831</b>
No adjusted gross income.....	5,188	28,286	3,022	66,589	89,885	989,727	158,667	2,540,651
\$1 under \$5,000.....	10,110	24,027	*5,597	*12,812	147,541	303,890	81,724	389,216
\$5,000 under \$10,000.....	26,543	80,301	*6,796	*32,249	262,257	895,033	190,366	817,399
\$10,000 under \$15,000.....	56,675	199,692	*8,574	*32,169	402,696	1,560,329	232,015	1,006,236
\$15,000 under \$20,000.....	57,785	277,585	14,885	20,098	401,660	1,675,381	252,345	1,074,764
\$20,000 under \$25,000.....	31,972	135,890	*7,379	*26,526	356,219	1,311,383	274,555	1,180,362
\$25,000 under \$30,000.....	35,667	280,440	*5,807	*9,882	309,057	1,525,267	243,659	1,183,462
\$30,000 under \$40,000.....	50,960	405,810	13,499	41,634	571,607	2,817,412	501,918	2,345,180
\$40,000 under \$50,000.....	38,413	485,764	12,855	28,131	499,809	2,606,633	494,005	2,354,833
\$50,000 under \$75,000.....	93,750	590,512	37,735	175,145	916,061	5,707,875	1,005,101	5,321,822
\$75,000 under \$100,000.....	43,858	454,108	8,281	54,743	505,820	4,572,553	560,344	3,276,359
\$100,000 under \$200,000.....	47,327	795,262	13,319	41,479	683,260	8,861,234	532,653	3,450,606
\$200,000 under \$500,000.....	12,697	196,827	2,849	14,904	267,262	7,640,511	87,110	1,139,528
\$500,000 under \$1,000,000.....	2,755	108,934	737	9,224	68,392	3,632,849	22,981	458,541
\$1,000,000 or more.....	1,396	37,882	420	6,440	42,692	5,248,588	14,379	443,872
<b>Taxable returns.....</b>	<b>458,061</b>	<b>3,894,609</b>	<b>123,799</b>	<b>434,159</b>	<b>4,791,924</b>	<b>45,996,614</b>	<b>4,045,474</b>	<b>22,381,730</b>
<b>Nontaxable returns.....</b>	<b>57,033</b>	<b>206,711</b>	<b>17,956</b>	<b>137,867</b>	<b>732,294</b>	<b>3,352,051</b>	<b>606,348</b>	<b>4,601,102</b>

Size of adjusted gross income	Partnership and S Corporation				Estate and trust			
	Net income		Net loss		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)
<b>All returns.....</b>	<b>3,917,860</b>	<b>213,559,410</b>	<b>2,114,623</b>	<b>45,236,146</b>	<b>458,164</b>	<b>9,015,799</b>	<b>49,971</b>	<b>881,707</b>
No adjusted gross income.....	42,243	1,494,187	142,192	14,826,116	6,373	84,517	3,526	264,984
\$1 under \$5,000.....	82,001	206,072	61,296	576,171	15,945	38,796	*432	*5,884
\$5,000 under \$10,000.....	110,294	556,032	69,736	635,088	23,215	77,078	*1,199	*5,715
\$10,000 under \$15,000.....	131,884	791,659	98,097	658,538	17,824	94,902	--	--
\$15,000 under \$20,000.....	129,567	871,509	94,917	713,620	17,834	45,011	*3,161	*174
\$20,000 under \$25,000.....	117,893	1,036,145	95,857	515,020	29,935	89,236	*1,251	*3,967
\$25,000 under \$30,000.....	156,930	1,607,952	67,039	630,367	9,298	46,916	*2,365	*19,406
\$30,000 under \$40,000.....	287,914	2,621,342	162,073	1,223,110	27,120	118,466	*3,839	*6,502
\$40,000 under \$50,000.....	270,958	2,860,453	171,665	1,177,955	37,738	233,092	*4,499	*4,866
\$50,000 under \$75,000.....	637,413	8,960,986	337,622	2,376,074	67,999	597,481	4,005	31,699
\$75,000 under \$100,000.....	456,390	9,023,399	222,472	1,750,453	47,060	475,311	5,454	19,871
\$100,000 under \$200,000.....	828,256	29,165,897	360,784	4,383,134	89,521	1,436,533	12,544	54,569
\$200,000 under \$500,000.....	457,592	43,107,426	159,395	4,430,831	45,060	1,321,196	4,412	32,539
\$500,000 under \$1,000,000.....	128,174	30,109,896	42,142	2,620,574	12,702	916,280	1,509	54,241
\$1,000,000 or more.....	80,352	81,146,457	29,334	8,719,095	10,540	3,440,986	1,774	377,289
<b>Taxable returns.....</b>	<b>3,625,094</b>	<b>210,873,552</b>	<b>1,735,828</b>	<b>28,353,747</b>	<b>426,772</b>	<b>8,853,633</b>	<b>42,492</b>	<b>599,479</b>
<b>Nontaxable returns.....</b>	<b>292,766</b>	<b>2,685,858</b>	<b>378,795</b>	<b>16,882,399</b>	<b>31,392</b>	<b>162,166</b>	<b>7,480</b>	<b>282,228</b>

Footnotes at end of table.

# Individual Income Tax Returns, 1997

**Table 1.--All Returns: Sources of Income and Adjustments, 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	Farm				Unemployment compensation		Social Security benefits	
	Net income		Net loss				Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
	(79)	(80)	(81)	(82)	(83)	(84)	(85)	(86)
<b>All returns.....</b>	<b>721,466</b>	<b>9,221,854</b>	<b>1,439,488</b>	<b>16,069,297</b>	<b>7,124,100</b>	<b>17,230,102</b>	<b>11,351,510</b>	<b>139,958,629</b>
No adjusted gross income.....	18,044	201,682	109,717	3,101,184	14,663	31,514	76,351	866,807
\$1 under \$5,000.....	36,839	104,419	64,981	501,195	236,951	310,560	389,606	3,496,807
\$5,000 under \$10,000.....	67,957	272,600	82,565	714,081	799,394	1,552,089	731,962	7,544,392
\$10,000 under \$15,000.....	77,309	408,239	105,048	639,308	1,044,018	2,356,112	844,409	9,671,069
\$15,000 under \$20,000.....	60,293	532,408	102,746	923,127	924,508	2,352,557	760,519	9,184,720
\$20,000 under \$25,000.....	53,072	372,566	100,088	1,006,867	650,553	1,446,713	946,217	11,477,312
\$25,000 under \$30,000.....	53,309	524,252	99,462	595,071	598,559	1,581,869	975,022	11,808,989
\$30,000 under \$40,000.....	70,124	952,552	165,818	1,279,391	946,443	2,394,558	1,584,560	18,528,097
\$40,000 under \$50,000.....	60,808	868,813	148,820	1,254,078	604,563	1,546,641	1,178,155	13,762,729
\$50,000 under \$75,000.....	119,674	1,698,560	262,567	2,340,046	908,860	2,425,407	2,048,644	25,568,613
\$75,000 under \$100,000.....	46,771	852,270	67,327	747,228	239,028	715,433	798,000	11,543,106
\$100,000 under \$200,000.....	43,064	1,508,056	86,428	1,135,215	141,351	468,214	740,582	11,630,034
\$200,000 under \$500,000.....	10,354	590,334	31,124	906,404	13,316	40,842	216,290	3,736,531
\$500,000 under \$1,000,000.....	2,242	151,337	7,983	360,271	1,396	5,323	39,325	714,180
\$1,000,000 or more.....	1,607	183,766	4,814	565,830	495	2,270	21,866	425,245
<b>Taxable returns.....</b>	<b>544,978</b>	<b>8,257,671</b>	<b>1,109,057</b>	<b>11,016,220</b>	<b>5,273,283</b>	<b>13,207,852</b>	<b>9,974,335</b>	<b>124,331,158</b>
<b>Nontaxable returns.....</b>	<b>176,489</b>	<b>964,184</b>	<b>330,431</b>	<b>5,053,078</b>	<b>1,850,817</b>	<b>4,022,250</b>	<b>1,377,176</b>	<b>15,627,472</b>

Size of adjusted gross income	Social Security benefits--continued				Other income <sup>2</sup>			
	Taxable		Foreign-earned income exclusion <sup>2</sup>		Net income		Net loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(87)	(88)	(89)	(90)	(91)	(92)	(93)	(94)
<b>All returns.....</b>	<b>8,307,938</b>	<b>61,557,689</b>	<b>297,534</b>	<b>13,170,179</b>	<b>4,499,193</b>	<b>22,787,332</b>	<b>238,044</b>	<b>3,702,196</b>
No adjusted gross income.....	1,441	3,267	55,819	1,812,193	41,510	441,569	10,576	535,439
\$1 under \$5,000.....	11,298	45,495	51,732	2,120,130	266,112	384,022	*8,180	*58,776
\$5,000 under \$10,000.....	6,623	28,557	20,196	813,504	278,866	551,413	*2,520	*16,480
\$10,000 under \$15,000.....	32,077	132,967	22,678	1,027,975	274,824	687,796	12,642	99,548
\$15,000 under \$20,000.....	106,226	170,617	11,253	615,344	270,089	691,833	*4,699	*53,451
\$20,000 under \$25,000.....	632,200	670,591	8,495	399,461	270,953	779,145	*3,711	*28,250
\$25,000 under \$30,000.....	896,957	1,762,818	*10,746	*269,656	246,079	594,979	*10,061	*39,588
\$30,000 under \$40,000.....	1,578,253	6,200,285	13,233	646,762	443,139	954,035	21,350	160,335
\$40,000 under \$50,000.....	1,178,155	8,003,260	17,984	581,196	377,400	932,182	23,464	151,155
\$50,000 under \$75,000.....	2,048,644	20,705,547	20,991	1,019,419	839,299	2,564,705	47,494	285,804
\$75,000 under \$100,000.....	798,000	9,804,410	16,291	906,405	430,985	1,977,063	27,976	230,047
\$100,000 under \$200,000.....	740,582	9,885,375	26,854	1,652,556	461,413	3,094,907	37,918	799,399
\$200,000 under \$500,000.....	216,290	3,176,003	16,380	995,575	212,180	3,204,187	21,006	847,089
\$500,000 under \$1,000,000.....	39,325	607,044	3,037	190,985	49,011	1,796,277	3,761	158,308
\$1,000,000 or more.....	21,866	361,453	1,844	119,018	37,334	4,133,220	2,685	238,528
<b>Taxable returns.....</b>	<b>8,152,325</b>	<b>60,924,880</b>	<b>151,628</b>	<b>7,345,825</b>	<b>3,927,346</b>	<b>20,910,079</b>	<b>214,664</b>	<b>3,001,941</b>
<b>Nontaxable returns.....</b>	<b>155,613</b>	<b>632,809</b>	<b>145,905</b>	<b>5,824,354</b>	<b>571,847</b>	<b>1,877,253</b>	<b>23,380</b>	<b>700,255</b>

Footnotes at end of table.

# Individual Income Tax Returns, 1997

**Table 1.--All Returns: Sources of Income and Adjustments, 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	Net operating loss <sup>3</sup>		Gambling earnings <sup>3</sup>		Statutory adjustments			
	Number of returns	Amount	Number of returns	Amount	Total		IRA payments	
					Number of returns	Amount	Number of returns	Amount
	(95)	(96)	(97)	(98)	(99)	(100)	(101)	(102)
<b>All returns.....</b>	<b>568,443</b>	<b>51,343,546</b>	<b>1,207,647</b>	<b>10,139,500</b>	<b>18,785,760</b>	<b>46,954,680</b>	<b>4,068,958</b>	<b>8,662,694</b>
No adjusted gross income.....	306,366	46,043,331	7,063	33,640	189,348	489,712	19,702	37,745
\$1 under \$5,000.....	48,566	443,409	32,995	42,746	1,053,081	534,081	100,202	152,932
\$5,000 under \$10,000.....	48,737	414,446	56,604	169,434	1,634,575	1,211,774	106,056	178,857
\$10,000 under \$15,000.....	34,607	292,021	79,450	237,705	1,660,823	1,738,571	274,682	498,203
\$15,000 under \$20,000.....	18,226	299,118	80,421	231,426	1,460,012	2,065,305	337,958	622,797
\$20,000 under \$25,000.....	14,856	143,378	72,037	205,459	1,274,354	2,010,948	418,515	791,481
\$25,000 under \$30,000.....	11,933	204,624	64,209	261,520	1,204,913	2,127,507	422,898	769,858
\$30,000 under \$40,000.....	27,337	489,506	143,233	495,977	2,132,977	3,627,111	720,068	1,423,243
\$40,000 under \$50,000.....	15,624	296,622	158,641	687,962	1,772,620	3,661,274	558,325	980,415
\$50,000 under \$75,000.....	17,905	293,592	237,898	1,598,237	2,697,708	6,479,633	490,356	1,259,374
\$75,000 under \$100,000.....	9,004	176,186	118,064	742,773	1,297,865	4,632,495	217,327	650,632
\$100,000 under \$200,000.....	7,879	482,539	115,333	1,782,353	1,587,479	9,490,683	290,886	911,709
\$200,000 under \$500,000.....	4,649	591,661	30,754	1,313,637	614,440	6,095,336	86,723	299,484
\$500,000 under \$1,000,000.....	1,499	333,393	7,109	845,760	127,696	1,643,865	17,206	59,031
\$1,000,000 or more.....	1,254	839,720	3,836	1,490,871	77,872	1,146,387	8,053	26,933
<b>Taxable returns.....</b>	<b>135,836</b>	<b>13,360,120</b>	<b>1,045,153</b>	<b>9,392,435</b>	<b>14,725,334</b>	<b>43,229,931</b>	<b>3,792,566</b>	<b>8,152,199</b>
<b>Nontaxable returns.....</b>	<b>432,607</b>	<b>37,983,426</b>	<b>162,494</b>	<b>747,065</b>	<b>4,060,427</b>	<b>3,724,750</b>	<b>276,392</b>	<b>510,495</b>

Size of adjusted gross income	Statutory adjustments--continued							
	Moving expenses adjustment		Deduction for self-employment tax		Payments to a Keogh plan		Forfeited interest penalty	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(103)	(104)	(105)	(106)	(107)	(108)	(109)	(110)
<b>All returns.....</b>	<b>780,813</b>	<b>1,847,578</b>	<b>13,513,228</b>	<b>14,868,362</b>	<b>1,189,981</b>	<b>10,237,623</b>	<b>918,302</b>	<b>234,237</b>
No adjusted gross income.....	7,717	21,015	129,021	103,677	1,717	5,943	13,353	5,432
\$1 under \$5,000.....	16,066	25,415	907,604	202,768	*2,307	*4,361	41,761	3,537
\$5,000 under \$10,000.....	29,481	52,141	1,446,279	628,337	*5,678	*19,902	64,851	18,232
\$10,000 under \$15,000.....	31,386	50,577	1,298,744	787,454	14,866	26,792	108,672	15,227
\$15,000 under \$20,000.....	60,711	90,075	1,051,773	789,433	24,366	63,588	69,938	75,193
\$20,000 under \$25,000.....	42,958	54,106	815,520	703,547	25,348	57,078	63,715	18,859
\$25,000 under \$30,000.....	40,318	52,676	762,867	661,685	23,557	68,988	44,216	6,602
\$30,000 under \$40,000.....	109,309	170,063	1,347,635	1,239,001	54,690	197,413	110,661	16,229
\$40,000 under \$50,000.....	91,456	232,672	1,104,457	1,233,188	77,467	276,563	92,593	15,461
\$50,000 under \$75,000.....	165,295	372,887	1,945,818	2,453,781	218,065	963,070	171,372	31,107
\$75,000 under \$100,000.....	65,910	186,915	936,807	1,497,558	182,259	1,137,459	67,368	9,846
\$100,000 under \$200,000.....	94,962	395,625	1,134,274	2,464,471	332,847	3,502,411	54,422	11,339
\$200,000 under \$500,000.....	21,650	111,258	481,894	1,404,302	179,442	2,937,599	12,452	5,656
\$500,000 under \$1,000,000.....	2,657	24,208	93,281	371,565	32,770	675,634	1,757	791
\$1,000,000 or more.....	938	7,946	57,255	327,596	14,601	300,821	1,170	724
<b>Taxable returns.....</b>	<b>714,791</b>	<b>1,714,801</b>	<b>9,883,639</b>	<b>12,915,730</b>	<b>1,159,849</b>	<b>10,152,379</b>	<b>775,804</b>	<b>205,131</b>
<b>Nontaxable returns.....</b>	<b>66,022</b>	<b>132,777</b>	<b>3,629,589</b>	<b>1,952,632</b>	<b>30,132</b>	<b>85,244</b>	<b>142,498</b>	<b>29,106</b>

Footnotes at end of table.



# Individual Income Tax Returns, 1997

**Table 1.--All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income--Continued**

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

Size of adjusted gross income	Statutory adjustments--continued							
	Alimony paid		Self-employed health insurance deduction		Other adjustments		Medical Savings Account deduction	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(111)	(112)	(113)	(114)	(115)	(116)	(117)	(118)
<b>All returns.....</b>	<b>623,646</b>	<b>6,311,455</b>	<b>3,284,842</b>	<b>3,869,842</b>	<b>118,629</b>	<b>884,074</b>	<b>16,912</b>	<b>22,454</b>
No adjusted gross income.....	9,871	204,049	44,704	55,164	*6,735	*56,685	**	**
\$1 under \$5,000.....	5,241	40,263	97,172	81,113	*7,996	*23,690	--	--
\$5,000 under \$10,000.....	28,013	126,680	171,579	131,044	*2,356	*56,429	**119	**155
\$10,000 under \$15,000.....	20,732	103,938	237,115	202,391	*8,029	*53,123	*2,473	*866
\$15,000 under \$20,000.....	26,708	141,780	245,885	222,935	*7,551	*59,504	--	--
\$20,000 under \$25,000.....	25,422	144,992	205,555	204,887	*4,563	*35,471	*263	*526
\$25,000 under \$30,000.....	44,959	327,836	189,634	206,112	*5,901	*33,048	*961	*703
\$30,000 under \$40,000.....	44,336	175,546	361,916	368,298	*13,752	*31,509	*2,257	*5,808
\$40,000 under \$50,000.....	81,878	509,925	301,887	341,630	13,024	68,441	*2,824	*2,978
\$50,000 under \$75,000.....	113,875	749,462	496,014	564,138	16,900	85,433	*502	*334
\$75,000 under \$100,000.....	74,179	672,478	247,937	344,220	20,303	125,937	*1,117	*491
\$100,000 under \$200,000.....	98,663	1,463,736	396,905	597,807	7,337	136,649	2,873	4,190
\$200,000 under \$500,000.....	34,271	901,555	208,296	388,333	2,891	40,677	2,977	5,380
\$500,000 under \$1,000,000.....	9,665	363,238	48,954	98,333	1,070	50,320	402	740
\$1,000,000 or more.....	5,832	385,975	31,289	63,437	221	27,157	143	284
<b>Taxable returns.....</b>	<b>581,726</b>	<b>5,950,542</b>	<b>2,736,157</b>	<b>3,339,154</b>	<b>99,974</b>	<b>761,550</b>	<b>16,792</b>	<b>22,298</b>
<b>Nontaxable returns.....</b>	<b>41,920</b>	<b>360,913</b>	<b>548,685</b>	<b>530,688</b>	<b>18,655</b>	<b>122,524</b>	<b>*119</b>	<b>*156</b>

Size of adjusted gross income	Basic standard deduction		Additional standard deduction		Total itemized deductions after limitation		Exemption amount	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of exemptions	Amount
	(119)	(120)	(121)	(122)	(123)	(124)	(125)	(126)
<b>All returns.....</b>	<b>84,844,302</b>	<b>428,362,726</b>	<b>11,136,379</b>	<b>13,333,199</b>	<b>36,624,595</b>	<b>620,810,172</b>	<b>241,279,259</b>	<b>627,825,050</b>
No adjusted gross income.....	--	--	--	--	--	--	1,601,519	4,224,933
\$1 under \$5,000.....	13,729,773	45,403,531	744,926	825,157	199,431	2,118,495	10,125,084	26,756,125
\$5,000 under \$10,000.....	12,997,247	61,563,721	1,664,841	1,819,185	414,525	4,274,987	17,999,579	47,639,605
\$10,000 under \$15,000.....	12,320,844	63,264,136	2,158,095	2,490,708	853,282	8,868,256	22,556,372	59,696,623
\$15,000 under \$20,000.....	10,194,715	54,160,637	1,617,244	2,014,339	1,195,929	13,010,009	21,313,924	56,425,519
\$20,000 under \$25,000.....	8,448,474	44,988,130	1,111,698	1,366,944	1,491,641	15,472,597	19,120,686	50,610,833
\$25,000 under \$30,000.....	6,307,723	33,790,058	747,738	913,857	1,749,407	17,989,452	15,597,685	41,291,640
\$30,000 under \$40,000.....	8,677,459	49,463,742	984,409	1,223,297	4,283,541	46,040,858	28,360,924	75,079,291
\$40,000 under \$50,000.....	5,185,497	31,152,834	624,033	757,492	4,602,356	54,229,208	23,849,402	63,149,135
\$50,000 under \$75,000.....	5,307,460	33,731,225	950,144	1,202,867	9,869,625	133,760,946	41,512,935	109,936,576
\$75,000 under \$100,000.....	1,042,972	6,763,444	290,012	383,974	5,411,599	93,477,912	18,540,204	49,097,837
\$100,000 under \$200,000.....	506,996	3,285,551	200,440	278,268	4,870,555	115,932,769	15,435,577	40,349,553
\$200,000 under \$500,000.....	89,075	564,219	35,078	46,641	1,312,659	54,586,168	4,111,718	3,567,380
\$500,000 under \$1,000,000.....	23,693	152,131	5,390	7,494	237,972	18,771,861	753,629	( <sup>4</sup> )
\$1,000,000 or more.....	12,375	79,367	2,331	2,977	132,072	42,276,653	400,021	( <sup>4</sup> )
<b>Taxable returns.....</b>	<b>58,790,477</b>	<b>295,327,562</b>	<b>8,640,660</b>	<b>10,351,561</b>	<b>34,643,372</b>	<b>585,074,238</b>	<b>182,627,070</b>	<b>472,640,571</b>
<b>Nontaxable returns.....</b>	<b>26,053,825</b>	<b>133,035,164</b>	<b>2,495,720</b>	<b>2,981,638</b>	<b>1,981,223</b>	<b>35,735,934</b>	<b>58,652,189</b>	<b>155,184,479</b>

\* 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.

<sup>1</sup> Not included in adjusted gross income.

<sup>2</sup> Less than \$500.

<sup>3</sup> Other income includes all items reported on line 21 of Form 1040 such as prizes, awards, recoveries of bad debts, insurance received as reimbursement for medical expenses taken as a deduction in the previous year, and any other income subject to tax for which no specific line was provided on the form. Any foreign-earned income exclusion or net operating loss in an earlier year (that was not carried forward and deducted for 1995) was entered as a negative amount on line 21 by the taxpayer but was edited into separate fields during Statistics of Income (SOI) processing. Gambling earnings entered on line 21 by the taxpayer were also edited into a separate field during SOI processing.

<sup>4</sup> No exemption allowed at these income levels.

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

# Individual Income Tax Returns, 1997

**Table 2.--All Returns: Tax Liability, Tax Credits, and Tax Payments, 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	Taxable income		Income tax before credits		Tax credits			
		Number of returns	Amount	Number of returns	Amount	Total		Child care credit	
						Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All returns.....</b>	<b>122,421,991</b>	<b>99,314,519</b>	<b>3,429,109,165</b>	<b>99,225,503</b>	<b>739,482,029</b>	<b>16,194,821</b>	<b>12,178,858</b>	<b>5,795,530</b>	<b>2,464,005</b>
No adjusted gross income.....	918,707	--	--	612	67	76	9	--	--
\$1 under \$5,000.....	13,935,880	3,940,722	2,772,398	3,851,069	458,672	118,513	2,739	--	--
\$5,000 under \$10,000.....	13,414,246	6,582,933	14,136,948	6,576,945	2,150,484	1,150,088	91,325	*3,710	*234
\$10,000 under \$15,000.....	13,174,125	9,356,530	42,998,977	9,361,216	6,457,043	1,527,117	381,970	160,436	43,454
\$15,000 under \$20,000.....	11,393,805	10,426,797	76,955,681	10,427,881	11,518,168	3,090,492	1,819,527	486,088	204,713
\$20,000 under \$25,000.....	9,944,745	9,620,695	111,836,099	9,619,748	16,721,628	2,645,322	1,749,199	475,569	212,574
\$25,000 under \$30,000.....	8,064,922	7,969,307	128,101,288	7,970,070	19,165,447	1,169,765	480,403	395,382	162,371
\$30,000 under \$40,000.....	12,966,743	12,885,008	279,356,776	12,885,016	43,470,524	951,350	396,515	783,837	320,137
\$40,000 under \$50,000.....	9,787,857	9,752,878	288,610,900	9,752,885	47,172,159	1,004,319	470,750	781,285	331,553
\$50,000 under \$75,000.....	15,180,241	15,156,885	646,563,388	15,156,884	111,099,552	1,917,915	903,337	1,525,805	646,120
\$75,000 under \$100,000.....	6,454,920	6,443,777	404,479,370	6,444,130	80,541,463	955,777	587,352	629,383	280,916
\$100,000 under \$200,000.....	5,377,899	5,372,879	548,325,305	5,372,889	126,712,802	1,056,279	1,097,812	462,835	216,620
\$200,000 under \$500,000.....	1,401,734	1,400,366	345,717,075	1,400,406	99,147,456	417,340	1,169,996	78,709	37,815
\$500,000 under \$1,000,000....	261,708	261,499	157,795,604	261,500	51,690,425	112,911	853,495	9,459	5,624
\$1,000,000 or more.....	144,459	144,242	381,459,356	144,252	123,176,140	77,556	2,174,427	3,034	1,874
<b>Taxable returns.....</b>	<b>93,471,200</b>	<b>93,442,061</b>	<b>3,409,491,958</b>	<b>93,456,850</b>	<b>736,521,074</b>	<b>10,426,168</b>	<b>9,217,903</b>	<b>4,972,613</b>	<b>2,103,503</b>
<b>Nontaxable returns.....</b>	<b>28,950,791</b>	<b>5,872,458</b>	<b>19,617,207</b>	<b>5,768,653</b>	<b>2,960,955</b>	<b>5,768,653</b>	<b>2,960,955</b>	<b>822,918</b>	<b>360,501</b>

Size of adjusted gross income	Tax credits--continued							
	Credit for the elderly or disabled		Adoption credit		Earned income credit used to offset income tax before credits		Minimum tax credit	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
<b>All returns.....</b>	<b>190,343</b>	<b>41,281</b>	<b>30,721</b>	<b>58,522</b>	<b>8,399,556</b>	<b>3,767,990</b>	<b>118,571</b>	<b>681,282</b>
No adjusted gross income.....	--	--	--	--	--	--	52	6
\$1 under \$5,000.....	*4,360	*792	--	--	*3,161	*174	--	--
\$5,000 under \$10,000.....	58,962	7,104	--	--	1,021,942	79,599	--	--
\$10,000 under \$15,000.....	82,520	24,583	*3,161	*9	1,277,978	306,742	*432	*255
\$15,000 under \$20,000.....	39,093	8,035	*3,103	*9	2,837,679	1,587,085	*432	( 1 )
\$20,000 under \$25,000.....	*5,407	*766	*3,161	*948	2,450,456	1,502,547	*359	*251
\$25,000 under \$30,000.....	--	--	--	--	808,339	291,842	*1,008	*333
\$30,000 under \$40,000.....	--	--	--	--	--	--	4,020	2,536
\$40,000 under \$50,000.....	--	--	*5,373	*17,050	--	--	1,767	1,246
\$50,000 under \$75,000.....	--	--	*14,463	*40,019	--	--	16,228	14,434
\$75,000 under \$100,000.....	--	--	*508	*375	--	--	12,961	20,071
\$100,000 under \$200,000.....	--	--	*951	*112	--	--	28,586	45,882
\$200,000 under \$500,000.....	--	--	--	--	--	--	34,344	140,316
\$500,000 under \$1,000,000....	--	--	--	--	--	--	10,918	141,305
\$1,000,000 or more.....	--	--	--	--	--	--	7,464	314,647
<b>Taxable returns.....</b>	<b>101,314</b>	<b>24,138</b>	<b>19,033</b>	<b>25,820</b>	<b>3,054,596</b>	<b>1,363,874</b>	<b>116,424</b>	<b>665,846</b>
<b>Nontaxable returns.....</b>	<b>89,029</b>	<b>17,144</b>	<b>*11,688</b>	<b>*32,703</b>	<b>5,344,959</b>	<b>2,404,115</b>	<b>2,147</b>	<b>15,436</b>

Footnotes at end of table.

# Individual Income Tax Returns, 1997

**Table 2.--All Returns: Tax Liability, Tax Credits, and Tax Payments, 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 credits--continued							
	Foreign tax credit		General business credit		Empowerment zone employment credit		Nonconventional source fuel credit	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
<b>All returns.....</b>	<b>2,334,015</b>	<b>4,073,461</b>	<b>306,254</b>	<b>826,320</b>	<b>686</b>	<b>19,091</b>	<b>19,866</b>	<b>56,068</b>
No adjusted gross income.....	*11	*2	*6	*1	--	--	*6	*1
\$1 under \$5,000.....	109,792	1,667	*1,199	*106	--	--	--	--
\$5,000 under \$10,000.....	64,312	3,621	*3,957	*126	--	--	*1,256	*134
\$10,000 under \$15,000.....	58,893	5,732	*1,833	*273	--	--	--	--
\$15,000 under \$20,000.....	59,219	8,369	*13,353	*10,116	--	--	--	--
\$20,000 under \$25,000.....	79,966	23,487	*2,605	*299	--	--	*1,268	*61
\$25,000 under \$30,000.....	61,006	7,079	*7,833	*8,567	--	--	--	--
\$30,000 under \$40,000.....	133,127	28,064	15,977	17,767	--	--	*736	*298
\$40,000 under \$50,000.....	179,638	70,134	18,427	29,381	--	--	*2,221	*874
\$50,000 under \$75,000.....	323,566	101,392	43,397	68,884	--	--	*1,120	*5,669
\$75,000 under \$100,000.....	275,551	159,985	51,314	99,491	--	--	*3,473	*5,573
\$100,000 under \$200,000.....	530,304	639,085	82,712	187,064	*178	*625	3,888	1,347
\$200,000 under \$500,000.....	300,313	852,969	39,020	115,605	*160	*813	2,751	11,335
\$500,000 under \$1,000,000.....	91,551	597,718	14,055	85,514	*140	*9,566	1,551	4,127
\$1,000,000 or more.....	66,764	1,574,156	10,566	203,126	208	8,087	1,597	26,649
<b>Taxable returns.....</b>	<b>2,303,303</b>	<b>3,995,293</b>	<b>278,192</b>	<b>796,202</b>	<b>686</b>	<b>19,091</b>	<b>18,737</b>	<b>50,334</b>
<b>Nontaxable returns.....</b>	<b>30,712</b>	<b>78,168</b>	<b>28,062</b>	<b>30,119</b>	<b>--</b>	<b>--</b>	<b>*1,129</b>	<b>*5,734</b>

Size of adjusted gross income	Tax credits--continued							
	Other tax credits		Income tax after credits		Alternative minimum tax		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)
<b>All returns.....</b>	<b>38,040</b>	<b>84,668</b>	<b>93,449,611</b>	<b>727,303,171</b>	<b>618,072</b>	<b>4,005,101</b>	<b>93,471,200</b>	<b>731,321,399</b>
No adjusted gross income.....	--	--	536	58	5,949	111,300	6,478	111,358
\$1 under \$5,000.....	--	--	3,846,709	455,933	7,409	3,806	3,847,065	459,739
\$5,000 under \$10,000.....	--	--	6,146,381	2,059,159	7,258	5,710	6,146,444	2,064,868
\$10,000 under \$15,000.....	*4,360	*922	7,962,689	6,075,072	5,024	4,383	7,962,908	6,079,455
\$15,000 under \$20,000.....	*1,242	*533	7,758,271	9,698,640	*513	*808	7,758,666	9,699,447
\$20,000 under \$25,000.....	--	--	8,478,549	14,972,429	1,717	1,140	8,479,844	14,973,568
\$25,000 under \$30,000.....	--	--	7,875,594	18,685,044	1,425	3,528	7,876,771	18,688,572
\$30,000 under \$40,000.....	*1,153	*238	12,881,026	43,074,008	4,643	4,967	12,881,191	43,078,975
\$40,000 under \$50,000.....	*7,100	*1,533	9,739,002	46,701,409	8,832	11,035	9,739,055	46,713,703
\$50,000 under \$75,000.....	*5,420	*2,100	15,144,700	110,196,215	39,995	81,204	15,146,748	110,278,865
\$75,000 under \$100,000.....	*1,506	*6,305	6,441,428	79,954,110	86,641	212,517	6,445,155	80,166,627
\$100,000 under \$200,000.....	8,528	6,367	5,370,546	125,614,990	196,043	652,446	5,374,164	126,267,568
\$200,000 under \$500,000.....	5,234	11,142	1,398,793	97,977,461	200,635	1,533,144	1,400,848	99,511,646
\$500,000 under \$1,000,000.....	1,771	9,642	261,215	50,836,930	34,107	453,955	261,529	51,290,896
\$1,000,000 or more.....	1,726	45,888	144,171	121,001,713	17,882	925,157	144,335	121,936,110
<b>Taxable returns.....</b>	<b>36,711</b>	<b>83,667</b>	<b>93,449,611</b>	<b>727,303,171</b>	<b>618,072</b>	<b>4,005,101</b>	<b>93,471,200</b>	<b>731,321,399</b>
<b>Nontaxable returns.....</b>	<b>*1,329</b>	<b>*1,001</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

Footnotes at end of table.

# Individual Income Tax Returns, 1997

**Table 2.--All Returns: Tax Liability, Tax Credits, and Tax Payments, 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	All other taxes							
	Total		Penalty tax on qualified retirement plans		Self-employment tax		Social Security taxes on tip income	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)
<b>All returns.....</b>	<b>17,173,341</b>	<b>33,079,134</b>	<b>3,415,245</b>	<b>2,335,845</b>	<b>13,515,150</b>	<b>29,738,153</b>	<b>267,055</b>	<b>27,826</b>
No adjusted gross income.....	151,370	241,365	20,542	17,529	129,021	207,294	*6	( <sup>1</sup> )
\$1 under \$5,000.....	972,554	415,920	47,892	9,785	907,604	405,078	*19,451	*840
\$5,000 under \$10,000.....	1,679,372	1,315,629	133,310	30,615	1,446,279	1,255,975	79,751	11,479
\$10,000 under \$15,000.....	1,534,871	1,647,887	168,430	60,868	1,298,744	1,574,261	49,356	3,791
\$15,000 under \$20,000.....	1,278,810	1,645,419	208,227	59,144	1,051,773	1,578,374	24,112	4,406
\$20,000 under \$25,000.....	1,095,025	1,499,432	251,073	87,943	815,520	1,406,657	36,277	3,672
\$25,000 under \$30,000.....	987,480	1,418,655	232,635	91,456	762,867	1,322,996	*5,520	*467
\$30,000 under \$40,000.....	1,773,609	2,701,697	449,819	192,087	1,349,557	2,485,505	*8,903	*900
\$40,000 under \$50,000.....	1,533,894	2,684,424	450,444	208,643	1,104,457	2,465,849	*17,063	*680
\$50,000 under \$75,000.....	2,641,772	5,500,677	736,951	506,161	1,945,818	4,906,537	24,253	1,488
\$75,000 under \$100,000.....	1,326,983	3,510,238	383,590	396,150	936,807	2,994,635	*1,120	*60
\$100,000 under \$200,000.....	1,470,018	5,654,428	290,063	539,655	1,134,274	4,928,378	*1,235	*42
\$200,000 under \$500,000.....	549,514	3,071,643	36,513	115,759	481,894	2,808,368	--	--
\$500,000 under \$1,000,000.....	108,649	823,100	3,941	14,579	93,281	743,082	--	--
\$1,000,000 or more.....	69,422	948,620	1,816	5,472	57,255	655,164	*9	*1
<b>Taxable returns.....</b>	<b>13,057,990</b>	<b>28,918,385</b>	<b>3,023,453</b>	<b>2,220,370</b>	<b>9,885,562</b>	<b>25,834,707</b>	<b>157,303</b>	<b>18,608</b>
<b>Nontaxable returns.....</b>	<b>4,115,351</b>	<b>4,160,748</b>	<b>391,792</b>	<b>115,475</b>	<b>3,629,589</b>	<b>3,903,446</b>	<b>109,752</b>	<b>9,218</b>

Size of adjusted gross income	All other taxes--continued				Total tax liability		Tax payments	
	Household employment tax		Earned income credit used to offset all other taxes		Total tax liability		Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)
<b>All returns.....</b>	<b>310,367</b>	<b>763,897</b>	<b>3,040,945</b>	<b>2,224,931</b>	<b>95,665,608</b>	<b>762,257,568</b>	<b>112,455,465</b>	<b>785,183,138</b>
No adjusted gross income.....	4,081	14,939	44,047	20,084	134,790	332,639	361,130	1,334,980
\$1 under \$5,000.....	*1,199	*211	541,856	158,920	4,533,361	719,864	10,280,996	2,118,372
\$5,000 under \$10,000.....	*5,793	*16,891	988,657	657,316	6,711,620	2,734,353	11,032,003	6,423,081
\$10,000 under \$15,000.....	8,739	7,672	676,019	759,763	8,265,174	7,005,668	11,507,168	11,873,265
\$15,000 under \$20,000.....	4,806	1,005	526,528	462,959	8,014,025	10,901,773	10,674,031	16,874,786
\$20,000 under \$25,000.....	3,242	1,099	232,728	157,666	8,644,150	16,325,049	9,626,548	21,729,741
\$25,000 under \$30,000.....	2,239	2,196	31,109	8,222	7,923,738	20,099,005	7,915,189	23,804,209
\$30,000 under \$40,000.....	11,170	21,330	--	--	12,902,897	45,780,672	12,793,317	53,308,175
\$40,000 under \$50,000.....	5,740	8,744	--	--	9,748,500	49,398,127	9,665,090	54,864,445
\$50,000 under \$75,000.....	35,574	80,629	--	--	15,154,781	115,779,542	15,055,407	124,477,849
\$75,000 under \$100,000.....	44,765	116,052	--	--	6,449,716	83,676,865	6,412,556	85,407,363
\$100,000 under \$200,000.....	75,591	181,042	--	--	5,375,718	131,921,997	5,334,823	127,851,968
\$200,000 under \$500,000.....	65,021	143,219	--	--	1,401,166	102,583,289	1,393,087	94,869,506
\$500,000 under \$1,000,000.....	22,265	59,339	--	--	261,591	52,113,996	260,241	47,441,555
\$1,000,000 or more.....	20,142	109,528	--	--	144,382	122,884,729	143,880	112,803,843
<b>Taxable returns.....</b>	<b>287,903</b>	<b>634,936</b>	<b>*8</b>	<b>*1</b>	<b>93,471,200</b>	<b>760,239,784</b>	<b>89,390,544</b>	<b>768,967,649</b>
<b>Nontaxable returns.....</b>	<b>22,464</b>	<b>128,961</b>	<b>3,040,937</b>	<b>2,224,929</b>	<b>2,194,408</b>	<b>2,017,784</b>	<b>23,064,922</b>	<b>16,215,489</b>

Footnotes at end of table.

# Individual Income Tax Returns, 1997

**Table 2.--All Returns: Tax Liability, Tax Credits, and Tax Payments, 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 payments--continued							
	Income tax withheld		Estimated tax payments		Payments with request for extension of filing time		Excess Social Security taxes withheld	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)
<b>All returns.....</b>	<b>106,483,908</b>	<b>582,124,212</b>	<b>12,766,410</b>	<b>162,584,233</b>	<b>1,597,435</b>	<b>38,918,434</b>	<b>1,267,562</b>	<b>1,399,705</b>
No adjusted gross income.....	258,582	639,540	92,658	552,262	19,374	130,801	2,042	2,719
\$1 under \$5,000.....	10,032,169	1,881,343	224,343	203,857	72,453	29,188	--	--
\$5,000 under \$10,000.....	10,587,328	5,684,684	500,567	629,078	76,521	100,455	*4,791	*2,005
\$10,000 under \$15,000.....	10,771,116	10,708,452	865,935	1,086,332	55,541	68,128	*1,141	*60
\$15,000 under \$20,000.....	9,934,414	15,228,373	996,068	1,547,670	63,265	90,977	*41	*168
\$20,000 under \$25,000.....	9,127,971	19,948,509	860,929	1,688,802	57,362	84,021	*1,110	*36
\$25,000 under \$30,000.....	7,538,271	21,858,361	763,806	1,850,468	50,108	87,285	*4	*17
\$30,000 under \$40,000.....	12,187,196	48,679,901	1,348,246	4,308,812	108,551	306,390	*3,593	*1,475
\$40,000 under \$50,000.....	9,197,705	49,922,139	1,157,919	4,573,953	106,746	362,014	*3,180	*298
\$50,000 under \$75,000.....	14,364,885	110,696,784	2,162,555	12,606,596	249,205	1,088,915	170,725	55,146
\$75,000 under \$100,000.....	6,051,211	73,086,071	1,204,492	11,320,637	154,375	790,203	320,743	198,075
\$100,000 under \$200,000.....	4,898,182	97,514,484	1,650,710	26,753,043	298,957	2,910,885	557,201	661,808
\$200,000 under \$500,000.....	1,193,565	59,129,792	680,993	30,661,057	181,130	4,737,137	151,377	326,970
\$500,000 under \$1,000,000.....	220,737	26,188,749	154,288	17,262,486	54,123	3,903,624	31,916	85,033
\$1,000,000 or more.....	120,575	40,957,031	102,901	47,539,180	49,724	24,228,412	19,697	65,895
<b>Taxable returns.....</b>	<b>84,219,249</b>	<b>568,333,549</b>	<b>11,901,494</b>	<b>160,417,922</b>	<b>1,472,082</b>	<b>38,695,410</b>	<b>1,260,278</b>	<b>1,394,497</b>
<b>Nontaxable returns.....</b>	<b>22,264,659</b>	<b>13,790,662</b>	<b>864,917</b>	<b>2,166,311</b>	<b>125,354</b>	<b>223,024</b>	<b>7,284</b>	<b>5,208</b>

Size of adjusted gross income	Tax payments--continued						Overpayment	
	Credit for Federal tax on gasoline and special fuels		Credit from regulated investment companies		Earned income credit, refundable portion		Total	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(58)	(59)	(60)	(61)	(62)	(63)	(64)	(65)
<b>All returns.....</b>	<b>445,633</b>	<b>101,328</b>	<b>68,097</b>	<b>55,227</b>	<b>15,367,868</b>	<b>24,395,661</b>	<b>88,311,237</b>	<b>140,110,378</b>
No adjusted gross income.....	27,183	8,340	581	1,318	54,287	64,083	350,772	1,216,992
\$1 under \$5,000.....	24,726	3,395	*3,598	*589	2,966,715	2,062,624	10,454,610	3,954,752
\$5,000 under \$10,000.....	41,265	6,290	*1,199	*568	4,264,714	7,715,402	10,909,696	12,230,377
\$10,000 under \$15,000.....	47,668	10,108	*1,199	*186	3,746,697	9,130,321	10,446,810	15,365,288
\$15,000 under \$20,000.....	30,056	6,082	*2,399	*1,517	3,089,061	4,501,267	9,045,736	12,089,746
\$20,000 under \$25,000.....	29,959	6,150	*2,318	*2,224	1,150,292	896,043	7,710,142	8,204,186
\$25,000 under \$30,000.....	32,403	6,312	*4,538	*1,765	96,102	25,921	5,911,532	5,660,416
\$30,000 under \$40,000.....	56,021	11,594	*47	*3	--	--	9,305,600	11,704,076
\$40,000 under \$50,000.....	32,694	5,292	*3,306	*749	--	--	6,715,521	10,173,864
\$50,000 under \$75,000.....	82,928	18,470	19,691	11,938	--	--	10,185,357	18,833,555
\$75,000 under \$100,000.....	19,894	7,327	*14,694	*5,051	--	--	3,748,847	9,402,288
\$100,000 under \$200,000.....	14,462	8,172	7,329	3,576	--	--	2,755,422	11,832,367
\$200,000 under \$500,000.....	4,294	2,070	5,689	12,481	--	--	595,811	6,706,998
\$500,000 under \$1,000,000.....	1,286	705	712	958	--	--	106,760	3,133,861
\$1,000,000 or more.....	796	1,020	797	12,305	--	--	68,620	9,601,610
<b>Taxable returns.....</b>	<b>309,128</b>	<b>72,590</b>	<b>66,307</b>	<b>53,680</b>	<b>--</b>	<b>--</b>	<b>63,615,996</b>	<b>100,426,364</b>
<b>Nontaxable returns.....</b>	<b>136,505</b>	<b>28,737</b>	<b>1,790</b>	<b>1,547</b>	<b>15,367,868</b>	<b>24,395,661</b>	<b>24,695,241</b>	<b>39,684,014</b>

Footnotes at end of table.

# Individual Income Tax Returns, 1997

**Table 2.--All Returns: Tax Liability, Tax Credits, and Tax Payments, 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	Overpayment--continued				Tax due at time of filing		Predetermined estimated tax penalty	
	Refunded		Credit to 1998 estimated tax					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)
<b>All returns.....</b>	<b>85,381,040</b>	<b>119,706,937</b>	<b>4,109,601</b>	<b>20,403,441</b>	<b>31,198,382</b>	<b>93,909,641</b>	<b>5,920,839</b>	<b>1,080,062</b>
No adjusted gross income.....	315,272	998,737	51,809	218,255	83,497	153,733	22,868	3,165
\$1 under \$5,000.....	10,369,835	3,906,592	102,693	48,159	2,399,703	498,088	116,286	3,380
\$5,000 under \$10,000.....	10,777,166	12,098,262	179,564	132,114	1,844,096	840,504	286,254	11,936
\$10,000 under \$15,000.....	10,239,520	15,183,970	306,324	181,318	2,360,572	1,388,029	362,980	20,642
\$15,000 under \$20,000.....	8,815,244	11,855,759	348,785	233,988	2,246,170	1,647,476	389,971	23,794
\$20,000 under \$25,000.....	7,532,160	7,999,194	266,446	204,992	2,174,445	1,939,837	375,168	28,579
\$25,000 under \$30,000.....	5,755,619	5,455,193	216,356	205,223	2,123,954	1,958,502	373,892	28,492
\$30,000 under \$40,000.....	9,043,456	11,217,936	399,989	486,140	3,639,837	4,244,080	729,342	66,438
\$40,000 under \$50,000.....	6,502,311	9,769,021	298,375	404,843	3,044,244	4,771,675	614,263	63,649
\$50,000 under \$75,000.....	9,723,328	17,567,268	631,268	1,266,287	4,959,875	10,290,481	1,073,114	136,517
\$75,000 under \$100,000.....	3,489,097	8,249,472	375,071	1,152,816	2,689,019	7,753,852	509,109	82,061
\$100,000 under \$200,000.....	2,358,135	9,023,375	546,024	2,808,992	2,607,186	16,112,931	681,688	210,535
\$200,000 under \$500,000.....	384,033	3,359,737	267,963	3,347,261	797,604	14,617,307	294,809	196,527
\$500,000 under \$1,000,000.....	52,660	1,144,376	65,921	1,989,485	153,223	7,889,733	59,406	83,431
\$1,000,000 or more.....	23,204	1,878,044	53,013	7,723,567	74,958	19,803,413	31,690	120,916
<b>Taxable returns.....</b>	<b>60,898,217</b>	<b>80,575,776</b>	<b>3,757,399</b>	<b>19,850,587</b>	<b>29,701,779</b>	<b>92,789,691</b>	<b>5,582,427</b>	<b>1,058,231</b>
<b>Nontaxable returns.....</b>	<b>24,482,823</b>	<b>39,131,161</b>	<b>352,202</b>	<b>552,854</b>	<b>1,496,603</b>	<b>1,119,950</b>	<b>338,412</b>	<b>21,831</b>

<sup>1</sup> Less than \$500.

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

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

# Individual Income Tax Returns, 1997

**Table 3.--Returns with Itemized Deductions, 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	Total itemized deductions in taxable income	Itemized deductions in excess of limitation		Medical and dental expenses deduction		Medical and dental expenses	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
			(3)	(4)	(5)	(6)	(7)	(8)
<b>All returns.....</b>	<b>36,624,595</b>	<b>620,810,172</b>	<b>4,489,461</b>	<b>23,263,469</b>	<b>5,256,149</b>	<b>29,283,622</b>	<b>5,256,149</b>	<b>44,682,194</b>
Under \$5,000.....	199,431	2,118,495	--	--	117,749	803,371	117,749	828,704
\$5,000 under \$10,000.....	414,525	4,274,987	--	--	242,122	1,574,739	242,122	1,718,196
\$10,000 under \$15,000.....	853,282	8,868,256	--	--	456,239	2,841,884	456,239	3,270,323
\$15,000 under \$20,000.....	1,195,929	13,010,009	--	--	567,112	3,553,742	567,112	4,292,435
\$20,000 under \$25,000.....	1,491,641	15,472,597	--	--	540,057	2,782,996	540,057	3,692,406
\$25,000 under \$30,000.....	1,749,407	17,989,452	--	--	480,431	2,292,743	480,431	3,283,130
\$30,000 under \$35,000.....	2,100,665	22,502,203	--	--	419,856	1,966,894	419,856	2,986,105
\$35,000 under \$40,000.....	2,182,876	23,538,654	--	--	413,376	1,661,208	413,376	2,824,449
\$40,000 under \$45,000.....	2,382,054	27,554,903	--	--	416,746	1,551,987	416,746	2,876,159
\$45,000 under \$50,000.....	2,220,302	26,674,305	--	--	280,711	1,404,387	280,711	2,403,358
\$50,000 under \$55,000.....	2,177,429	26,961,172	--	--	228,737	787,909	228,737	1,688,501
\$55,000 under \$60,000.....	2,139,514	28,505,420	--	--	220,955	1,258,946	220,955	2,213,992
\$60,000 under \$75,000.....	5,552,681	78,294,355	49,844	8,374	460,225	2,421,440	460,225	4,725,056
\$75,000 under \$100,000.....	5,411,599	93,477,912	51,439	36,525	240,003	1,756,498	240,003	3,297,850
\$100,000 under \$200,000.....	4,870,555	115,932,769	2,705,900	2,418,167	148,494	1,994,117	148,494	3,419,163
\$200,000 under \$500,000.....	1,312,659	54,586,168	1,312,413	6,579,968	21,836	528,888	21,836	962,730
\$500,000 under \$1,000,000.....	237,972	18,771,861	237,866	3,919,391	1,204	69,283	1,204	129,108
\$1,000,000 or more.....	132,072	42,276,653	131,999	10,301,043	297	32,590	297	70,532
<b>Taxable returns.....</b>	<b>34,643,372</b>	<b>585,074,238</b>	<b>4,485,883</b>	<b>23,244,377</b>	<b>4,127,602</b>	<b>16,111,935</b>	<b>4,127,602</b>	<b>30,108,009</b>
<b>Nontaxable returns.....</b>	<b>1,981,223</b>	<b>35,735,934</b>	<b>3,578</b>	<b>19,092</b>	<b>1,128,548</b>	<b>13,171,687</b>	<b>1,128,548</b>	<b>14,574,184</b>

Size of adjusted gross income	Medical and dental expenses limitation		Taxes paid deduction					
			Total		State and local income taxes		Real estate taxes	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
<b>All returns.....</b>	<b>5,256,149</b>	<b>15,398,572</b>	<b>36,095,045</b>	<b>220,628,058</b>	<b>30,819,670</b>	<b>136,964,632</b>	<b>32,250,381</b>	<b>74,997,732</b>
Under \$5,000.....	117,749	25,333	174,905	378,465	73,310	64,131	147,863	299,753
\$5,000 under \$10,000.....	242,122	143,457	364,467	636,051	194,822	116,461	300,906	465,344
\$10,000 under \$15,000.....	456,239	428,440	771,594	1,514,765	503,553	264,686	602,109	1,157,943
\$15,000 under \$20,000.....	567,112	738,693	1,116,027	2,380,001	789,689	671,330	895,691	1,533,357
\$20,000 under \$25,000.....	540,057	909,410	1,459,381	3,224,164	1,141,383	936,115	1,227,684	1,994,336
\$25,000 under \$30,000.....	480,431	990,387	1,709,165	3,950,953	1,464,155	1,511,333	1,412,352	2,179,774
\$30,000 under \$35,000.....	419,856	1,019,211	2,070,949	5,415,986	1,763,941	2,342,702	1,789,089	2,719,955
\$35,000 under \$40,000.....	413,376	1,163,241	2,164,963	6,194,325	1,881,655	3,044,499	1,823,978	2,765,652
\$40,000 under \$45,000.....	416,746	1,324,172	2,352,092	7,419,878	2,035,632	3,613,501	2,088,631	3,390,673
\$45,000 under \$50,000.....	280,711	998,970	2,194,670	7,506,833	1,870,522	3,796,502	1,927,103	3,316,648
\$50,000 under \$55,000.....	228,737	900,593	2,152,513	8,097,870	1,901,834	4,277,852	1,894,957	3,388,392
\$55,000 under \$60,000.....	220,955	955,045	2,127,949	8,623,062	1,874,816	4,695,228	1,923,933	3,456,608
\$60,000 under \$75,000.....	460,225	2,303,616	5,535,072	25,815,367	4,796,400	14,303,945	5,097,950	10,190,703
\$75,000 under \$100,000.....	240,003	1,541,352	5,373,471	32,853,227	4,780,397	19,161,170	5,018,905	12,281,079
\$100,000 under \$200,000.....	148,494	1,425,046	4,851,287	45,889,061	4,260,702	29,043,957	4,517,904	15,302,168
\$200,000 under \$500,000.....	21,836	433,842	1,307,862	26,802,535	1,153,110	19,416,761	1,230,150	6,773,830
\$500,000 under \$1,000,000.....	1,204	59,825	237,049	10,955,219	214,219	8,849,663	225,735	1,936,693
\$1,000,000 or more.....	297	37,942	131,627	22,970,298	119,530	20,854,795	125,442	1,844,825
<b>Taxable returns.....</b>	<b>4,127,602</b>	<b>13,996,074</b>	<b>34,306,304</b>	<b>215,733,942</b>	<b>29,697,377</b>	<b>135,751,883</b>	<b>30,721,925</b>	<b>71,689,249</b>
<b>Nontaxable returns.....</b>	<b>1,128,548</b>	<b>1,402,497</b>	<b>1,788,741</b>	<b>4,894,116</b>	<b>1,122,293</b>	<b>1,212,749</b>	<b>1,528,456</b>	<b>3,308,483</b>

Footnotes at end of table.

# Individual Income Tax Returns, 1997

**Table 3.--Returns with Itemized Deductions, 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	Taxes paid deduction--continued				Interest paid deduction			
	Personal property taxes		Other taxes		Total		Home mortgage interest	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>All returns.....</b>	<b>17,393,550</b>	<b>7,154,492</b>	<b>3,531,540</b>	<b>1,511,201</b>	<b>30,790,485</b>	<b>250,599,197</b>	<b>30,435,796</b>	<b>235,970,212</b>
Under \$5,000.....	59,008	9,801	4,784	4,780	126,546	827,624	122,917	806,563
\$5,000 under \$10,000.....	149,411	38,022	21,336	16,223	273,115	1,541,706	262,509	1,496,513
\$10,000 under \$15,000.....	265,295	78,667	68,153	13,468	514,507	2,955,314	505,819	2,905,720
\$15,000 under \$20,000.....	434,829	120,298	82,225	55,015	789,921	4,496,476	781,821	4,411,348
\$20,000 under \$25,000.....	657,138	224,010	91,991	69,702	1,136,861	6,275,880	1,119,681	6,175,840
\$25,000 under \$30,000.....	805,317	226,667	134,985	33,179	1,389,305	7,596,877	1,374,780	7,483,747
\$30,000 under \$35,000.....	935,819	293,982	200,609	59,346	1,759,771	10,124,036	1,753,249	10,001,204
\$35,000 under \$40,000.....	1,064,386	336,756	157,514	47,419	1,815,265	10,592,011	1,806,954	10,478,567
\$40,000 under \$45,000.....	1,195,203	360,915	206,820	54,790	2,052,896	12,722,683	2,042,617	12,523,206
\$45,000 under \$50,000.....	1,037,065	348,518	181,337	45,165	1,897,129	12,064,167	1,891,711	11,888,369
\$50,000 under \$55,000.....	1,098,954	378,898	197,075	52,728	1,867,448	12,256,940	1,860,749	12,099,743
\$55,000 under \$60,000.....	1,034,985	401,924	217,076	69,302	1,910,358	13,046,098	1,903,379	12,880,094
\$60,000 under \$75,000.....	2,788,169	1,110,488	568,908	210,231	4,929,907	34,445,790	4,908,591	33,962,863
\$75,000 under \$100,000.....	2,709,181	1,219,985	595,723	190,992	4,805,057	40,221,488	4,749,364	39,275,962
\$100,000 under \$200,000.....	2,410,174	1,293,376	554,501	249,560	4,130,005	46,536,096	4,056,535	44,943,423
\$200,000 under \$500,000.....	592,693	434,805	190,739	177,140	1,091,849	20,176,300	1,036,600	17,777,434
\$500,000 under \$1,000,000.....	99,343	112,160	36,635	56,703	194,613	5,691,176	173,365	4,125,902
\$1,000,000 or more.....	56,579	165,220	21,127	105,458	105,930	9,028,535	85,155	2,733,714
<b>Taxable returns.....</b>	<b>16,718,872</b>	<b>6,923,273</b>	<b>3,377,666</b>	<b>1,369,537</b>	<b>29,343,077</b>	<b>237,740,068</b>	<b>29,015,053</b>	<b>224,290,081</b>
<b>Nontaxable returns.....</b>	<b>674,678</b>	<b>231,220</b>	<b>153,875</b>	<b>141,664</b>	<b>1,447,408</b>	<b>12,859,130</b>	<b>1,420,742</b>	<b>11,680,131</b>

Size of adjusted gross income	Interest paid deduction--continued							
	Home mortgage interest--continued							
	Paid to financial institutions		Paid to individuals		Deductible points		Investment interest deduction	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	
<b>All returns.....</b>	<b>29,843,316</b>	<b>229,360,709</b>	<b>1,976,158</b>	<b>6,609,503</b>	<b>2,410,039</b>	<b>1,476,739</b>	<b>1,719,155</b>	<b>13,152,246</b>
Under \$5,000.....	119,597	781,084	4,536	25,479	*4,582	*2,587	11,509	18,474
\$5,000 under \$10,000.....	256,461	1,417,043	17,038	79,471	24,847	15,634	18,868	29,558
\$10,000 under \$15,000.....	493,116	2,852,119	27,761	53,601	23,079	13,985	20,775	35,608
\$15,000 under \$20,000.....	763,879	4,246,605	38,395	164,743	35,225	33,925	24,327	51,203
\$20,000 under \$25,000.....	1,085,402	5,923,698	63,370	252,142	55,736	22,831	31,362	77,208
\$25,000 under \$30,000.....	1,346,281	7,280,000	62,977	203,747	72,659	41,491	41,522	71,639
\$30,000 under \$35,000.....	1,731,003	9,810,822	79,270	190,382	90,019	67,161	28,906	55,671
\$35,000 under \$40,000.....	1,774,256	10,208,752	96,323	269,815	75,821	50,332	34,075	63,112
\$40,000 under \$45,000.....	1,986,061	12,087,086	116,453	436,121	117,792	70,524	49,749	128,953
\$45,000 under \$50,000.....	1,839,289	11,462,149	141,717	426,220	134,093	64,836	40,602	110,962
\$50,000 under \$55,000.....	1,833,054	11,829,970	98,378	269,773	151,741	82,500	47,704	74,698
\$55,000 under \$60,000.....	1,850,496	12,359,386	140,486	520,709	140,633	88,693	25,262	77,311
\$60,000 under \$75,000.....	4,825,954	32,933,449	342,289	1,029,414	400,213	227,254	154,816	255,672
\$75,000 under \$100,000.....	4,669,199	38,465,196	334,525	810,766	417,649	260,399	293,754	685,127
\$100,000 under \$200,000.....	4,001,428	43,957,437	294,677	985,987	461,316	267,887	431,704	1,324,785
\$200,000 under \$500,000.....	1,015,414	17,160,808	96,317	616,626	167,062	129,103	310,508	2,269,764
\$500,000 under \$1,000,000.....	169,468	3,956,638	15,224	169,264	25,208	20,410	88,355	1,544,864
\$1,000,000 or more.....	82,957	2,628,470	6,421	105,244	12,364	17,187	65,357	6,277,635
<b>Taxable returns.....</b>	<b>28,461,693</b>	<b>218,151,280</b>	<b>1,889,993</b>	<b>6,138,800</b>	<b>2,308,026</b>	<b>1,386,283</b>	<b>1,634,403</b>	<b>12,063,704</b>
<b>Nontaxable returns.....</b>	<b>1,381,623</b>	<b>11,209,428</b>	<b>86,165</b>	<b>470,703</b>	<b>102,013</b>	<b>90,456</b>	<b>84,751</b>	<b>1,088,542</b>

Footnotes at end of table.



# Individual Income Tax Returns, 1997

## Table 3.--Returns with Itemized Deductions, 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	Charitable contributions deduction							
	Total		Cash contributions		Other than cash contributions		Carryover from prior years	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
<b>All returns.....</b>	<b>32,612,634</b>	<b>99,191,962</b>	<b>31,580,108</b>	<b>72,425,402</b>	<b>17,070,668</b>	<b>27,961,174</b>	<b>319,794</b>	<b>9,319,523</b>
Under \$5,000.....	104,281	61,507	95,522	84,678	34,122	17,042	6,104	163,567
\$5,000 under \$10,000.....	259,456	305,736	246,189	347,669	107,365	34,705	18,173	331,286
\$10,000 under \$15,000.....	637,124	803,293	606,005	720,912	213,774	84,885	19,468	76,413
\$15,000 under \$20,000.....	949,441	1,418,659	906,280	1,192,192	392,695	184,556	23,606	225,580
\$20,000 under \$25,000.....	1,190,252	1,715,912	1,131,210	1,489,698	505,109	248,889	19,461	136,130
\$25,000 under \$30,000.....	1,478,825	2,331,872	1,420,499	1,946,122	745,843	323,907	15,599	643,071
\$30,000 under \$35,000.....	1,777,888	2,857,862	1,723,216	2,376,921	840,776	416,895	18,259	184,382
\$35,000 under \$40,000.....	1,869,969	2,921,309	1,773,228	2,374,251	859,674	458,967	26,692	153,027
\$40,000 under \$45,000.....	2,057,944	3,213,814	1,984,754	2,696,717	1,044,254	494,722	7,951	32,899
\$45,000 under \$50,000.....	1,916,599	3,342,040	1,846,645	2,821,554	981,664	516,993	11,458	105,802
\$50,000 under \$55,000.....	1,933,851	3,501,088	1,887,144	3,025,342	950,223	425,705	7,067	116,944
\$55,000 under \$60,000.....	1,894,111	3,506,150	1,829,897	2,899,359	926,830	528,726	13,793	142,168
\$60,000 under \$75,000.....	5,138,342	10,185,866	4,946,975	8,416,104	2,904,276	1,852,182	45,758	97,577
\$75,000 under \$100,000.....	5,120,399	12,752,656	5,006,707	10,471,027	2,930,637	2,902,336	33,907	487,067
\$100,000 under \$200,000.....	4,663,182	16,880,392	4,573,770	13,691,108	2,751,360	3,017,161	31,331	662,416
\$200,000 under \$500,000.....	1,262,017	10,098,952	1,245,448	7,576,788	705,728	2,887,275	12,807	1,362,733
\$500,000 under \$1,000,000.....	230,269	4,676,435	228,719	2,929,196	113,401	1,924,887	4,044	1,134,838
\$1,000,000 or more.....	128,684	18,618,418	127,900	7,365,764	62,937	11,641,343	4,315	3,263,625
<b>Taxable returns.....</b>	<b>31,206,322</b>	<b>96,822,852</b>	<b>30,256,322</b>	<b>70,302,681</b>	<b>16,535,004</b>	<b>27,601,164</b>	<b>257,764</b>	<b>8,229,719</b>
<b>Nontaxable returns.....</b>	<b>1,406,312</b>	<b>2,369,110</b>	<b>1,323,786</b>	<b>2,122,720</b>	<b>535,664</b>	<b>360,011</b>	<b>62,030</b>	<b>1,089,805</b>

Size of adjusted gross income	Casualty or theft loss deduction	Miscellaneous deductions subject to 2% AGI limitation						
		Total after AGI limitation		Unreimbursed employee business expense		Tax preparation fees		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
<b>All returns.....</b>	<b>105,413</b>	<b>1,063,586</b>	<b>8,662,965</b>	<b>37,426,844</b>	<b>11,414,320</b>	<b>39,335,804</b>	<b>12,478,287</b>	<b>3,003,321</b>
Under \$5,000.....	**1,200	**3,439	57,836	39,761	12,732	13,533	50,376	13,144
\$5,000 under \$10,000.....	**	**	99,652	187,127	40,619	142,283	119,005	27,158
\$10,000 under \$15,000.....	*9,914	*116,892	208,002	577,988	168,207	526,982	262,778	37,748
\$15,000 under \$20,000.....	*3,279	*9,644	265,665	1,067,197	235,369	927,663	375,853	56,279
\$20,000 under \$25,000.....	*12,880	*68,764	373,358	1,326,701	370,234	1,240,437	477,662	78,622
\$25,000 under \$30,000.....	*9,010	*27,450	496,070	1,666,638	542,318	1,576,700	611,502	83,674
\$30,000 under \$35,000.....	*12,555	*106,340	572,006	1,886,229	653,363	1,938,709	730,505	99,178
\$35,000 under \$40,000.....	*962	*26,702	567,445	1,966,857	750,141	2,129,648	765,999	115,682
\$40,000 under \$45,000.....	*7,093	*10,874	625,862	2,435,505	864,107	2,662,964	840,034	129,057
\$45,000 under \$50,000.....	*14,835	*92,273	523,283	2,039,871	740,851	2,264,597	783,264	139,112
\$50,000 under \$55,000.....	*9,488	*87,444	592,706	2,034,202	782,811	2,280,538	758,349	118,971
\$55,000 under \$60,000.....	*4,494	*35,323	493,153	1,737,241	658,664	1,955,087	702,970	102,520
\$60,000 under \$75,000.....	*5,458	*51,969	1,225,953	4,810,172	1,907,698	5,730,760	1,847,342	321,819
\$75,000 under \$100,000.....	*6,789	*107,277	1,275,266	5,244,892	1,986,093	6,471,413	1,933,012	441,462
\$100,000 under \$200,000.....	5,562	151,778	1,010,909	5,767,609	1,385,466	6,734,902	1,623,853	590,717
\$200,000 under \$500,000.....	1,599	115,585	230,450	2,540,036	272,251	2,109,003	468,467	356,252
\$500,000 under \$1,000,000.....	269	37,189	30,178	728,580	31,605	361,797	82,123	129,671
\$1,000,000 or more.....	*24	*14,644	15,173	1,370,239	11,791	268,790	45,195	162,254
<b>Taxable returns.....</b>	<b>88,693</b>	<b>685,545</b>	<b>8,215,460</b>	<b>35,740,366</b>	<b>11,108,542</b>	<b>38,108,044</b>	<b>11,891,854</b>	<b>2,856,289</b>
<b>Nontaxable returns.....</b>	<b>16,720</b>	<b>378,041</b>	<b>447,505</b>	<b>1,686,478</b>	<b>305,778</b>	<b>1,227,760</b>	<b>586,433</b>	<b>147,032</b>

Footnotes at end of table.

# Individual Income Tax Returns, 1997

**Table 3.--Returns with Itemized Deductions, 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	Unlimited miscellaneous deductions					
	Total		Gambling loss deduction		Miscellaneous deductions other than gambling	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)
<b>All returns.....</b>	<b>779,248</b>	<b>5,880,372</b>	<b>561,189</b>	<b>5,124,908</b>	<b>229,703</b>	<b>755,464</b>
Under \$5,000.....	*3,110	*4,328	*1,989	*2,156	*1,122	*2,172
\$5,000 under \$10,000.....	9,432	29,628	*6,229	*23,991	*3,203	*5,637
\$10,000 under \$15,000.....	15,835	58,121	15,571	57,521	*264	*600
\$15,000 under \$20,000.....	19,540	84,290	15,993	62,258	*3,547	*22,032
\$20,000 under \$25,000.....	24,835	78,180	18,092	66,169	*6,743	*12,011
\$25,000 under \$30,000.....	32,142	122,920	20,848	113,530	11,294	9,390
\$30,000 under \$35,000.....	45,976	144,856	35,114	135,040	*10,861	*9,816
\$35,000 under \$40,000.....	47,247	176,243	28,146	132,842	*19,101	*43,401
\$40,000 under \$45,000.....	50,788	200,162	37,059	124,935	19,102	75,227
\$45,000 under \$50,000.....	36,599	224,734	27,219	177,514	*10,341	*47,220
\$50,000 under \$55,000.....	36,762	195,719	29,253	183,301	*7,509	*12,418
\$55,000 under \$60,000.....	43,160	298,600	32,362	281,685	*10,798	*16,915
\$60,000 under \$75,000.....	129,982	572,125	90,866	506,310	42,270	65,815
\$75,000 under \$100,000.....	113,819	578,399	90,035	550,379	23,784	28,019
\$100,000 under \$200,000.....	121,357	1,131,883	81,555	978,948	41,179	152,935
\$200,000 under \$500,000.....	34,833	903,840	22,063	762,158	13,446	141,682
\$500,000 under \$1,000,000.....	8,354	533,372	5,828	501,096	2,583	32,276
\$1,000,000 or more.....	5,476	542,972	2,966	465,075	2,556	77,898
<b>Taxable returns.....</b>	<b>746,707</b>	<b>5,483,908</b>	<b>535,143</b>	<b>4,769,060</b>	<b>223,203</b>	<b>714,848</b>
<b>Nontaxable returns.....</b>	<b>32,541</b>	<b>396,464</b>	<b>26,046</b>	<b>355,848</b>	<b>6,501</b>	<b>40,616</b>

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

\*\*Data deleted to avoid disclosure of information for specific taxpayers. Deleted data included in the appropriate totals.

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

# Individual Income Tax Returns, 1997

**Table 4.--Returns with Earned Income Credit, 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	All returns with earned income credit (EIC)									
	Number of returns	Adjusted gross income	EIC salaries and wages		Nontaxable earned income		EIC self-employment income (less loss)		EIC earned income	
			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)
<b>All returns.....</b>	<b>19,391,179</b>	<b>237,876,133</b>	<b>17,873,906</b>	<b>213,563,144</b>	<b>2,006,405</b>	<b>2,058,876</b>	<b>3,419,926</b>	<b>19,360,184</b>	<b>19,391,179</b>	<b>234,982,203</b>
No adjusted gross income.....	77,300	2,264,684	47,436	474,328	2,713	4,307	61,134	74,584	77,300	553,219
\$1 under \$1,000.....	356,176	217,043	279,358	185,643	*5,830	*4,792	86,634	93,977	356,176	284,412
\$1,000 under \$2,000.....	585,002	889,402	527,572	879,243	*18,474	*1,519	91,626	77,963	585,002	958,725
\$2,000 under \$3,000.....	667,174	1,662,674	603,139	1,464,924	*11,427	*18,717	102,333	185,012	667,174	1,668,653
\$3,000 under \$4,000.....	780,904	2,712,958	686,964	2,247,530	*7,528	*262	134,547	430,434	780,904	2,678,225
\$4,000 under \$5,000.....	872,644	3,931,535	761,415	3,277,993	*16,237	*5,765	184,975	513,734	872,644	3,797,492
\$5,000 under \$6,000.....	944,690	5,188,091	857,996	4,332,370	25,348	11,431	164,455	650,824	944,690	4,994,624
\$6,000 under \$7,000.....	1,058,689	6,879,159	907,906	5,342,950	31,596	15,744	252,248	1,261,730	1,058,689	6,620,425
\$7,000 under \$8,000.....	1,105,216	8,310,917	999,786	6,875,031	*15,350	*7,000	206,754	1,036,627	1,105,216	7,918,657
\$8,000 under \$9,000.....	1,106,111	9,391,384	1,000,194	7,796,407	59,347	24,025	226,872	1,179,273	1,106,111	8,999,704
\$9,000 under \$10,000.....	952,879	8,994,384	832,578	7,225,020	51,758	60,847	203,203	1,404,063	952,879	8,689,930
\$10,000 under \$11,000.....	742,463	7,805,318	675,735	6,600,177	40,568	53,890	129,774	922,224	742,463	7,576,291
\$11,000 under \$12,000.....	777,870	8,943,473	710,465	7,557,214	58,380	71,772	148,157	1,020,241	777,870	8,649,227
\$12,000 under \$13,000.....	721,559	9,002,753	683,170	8,025,416	57,151	33,748	112,446	639,924	721,559	8,699,088
\$13,000 under \$14,000.....	783,135	10,567,647	737,142	9,475,306	108,590	237,152	112,337	811,054	783,135	10,523,513
\$14,000 under \$15,000.....	785,821	11,386,075	740,554	10,105,117	112,927	104,684	132,455	992,484	785,821	11,202,284
\$15,000 under \$16,000.....	755,867	11,728,768	725,789	10,464,234	133,576	83,976	113,486	881,018	755,867	11,429,228
\$16,000 under \$17,000.....	705,122	11,637,663	667,556	10,421,268	112,920	211,689	101,838	873,707	705,122	11,506,665
\$17,000 under \$18,000.....	718,651	12,576,381	694,441	11,590,482	122,218	110,974	105,636	627,191	718,651	12,328,646
\$18,000 under \$19,000.....	736,860	13,614,500	705,399	12,550,839	143,868	168,437	97,735	720,404	736,860	13,439,680
\$19,000 under \$20,000.....	658,598	12,851,649	639,348	12,004,609	148,725	126,835	80,688	553,951	658,598	12,685,396
\$20,000 under \$25,000.....	2,653,987	59,281,335	2,574,905	54,433,432	568,987	543,726	387,319	2,888,333	2,653,987	57,865,490
\$25,000 and over.....	844,459	22,567,710	815,059	20,233,611	152,888	157,584	183,271	1,521,433	844,459	21,912,627

Size of adjusted gross income	All returns with earned income credit (EIC)--continued									
	Total earned income credit		EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes		EIC refundable portion	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>All returns.....</b>	<b>19,391,179</b>	<b>30,388,582</b>	<b>8,399,556</b>	<b>3,767,990</b>	<b>3,054,604</b>	<b>2,128,770</b>	<b>3,040,945</b>	<b>2,224,931</b>	<b>15,367,868</b>	<b>24,395,661</b>
No adjusted gross income.....	77,300	84,168	--	--	--	--	44,047	20,084	54,287	64,083
\$1 under \$1,000.....	356,176	56,068	*3,161	*174	*3,161	*13,672	51,838	7,562	317,422	48,333
\$1,000 under \$2,000.....	585,002	212,607	--	--	--	--	78,895	15,127	544,957	197,480
\$2,000 under \$3,000.....	667,174	418,558	--	--	--	--	102,098	22,523	604,130	396,034
\$3,000 under \$4,000.....	780,904	625,648	--	--	--	--	143,841	46,922	710,957	578,726
\$4,000 under \$5,000.....	872,644	908,837	--	--	--	--	165,184	66,786	789,249	842,051
\$5,000 under \$6,000.....	944,690	1,178,157	--	--	--	--	175,027	72,833	872,814	1,105,324
\$6,000 under \$7,000.....	1,058,689	1,633,808	60,209	1,002	--	--	257,201	153,985	982,728	1,478,821
\$7,000 under \$8,000.....	1,105,216	1,723,183	356,673	36,458	84,040	2,196	205,127	120,518	960,287	1,566,208
\$8,000 under \$9,000.....	1,106,111	1,948,246	366,615	34,064	357,387	56,729	166,670	135,656	731,449	1,778,526
\$9,000 under \$10,000.....	952,879	1,968,923	238,446	8,076	213,233	72,839	184,632	174,325	717,436	1,786,523
\$10,000 under \$11,000.....	742,463	2,125,829	30,356	7,947	--	--	142,269	154,822	740,340	1,963,059
\$11,000 under \$12,000.....	777,870	2,221,991	204,201	17,494	--	--	150,138	177,349	771,499	2,027,147
\$12,000 under \$13,000.....	721,559	1,926,400	311,514	64,445	--	--	113,939	119,542	714,137	1,742,414
\$13,000 under \$14,000.....	783,135	1,987,386	278,860	88,167	--	--	126,640	137,033	759,375	1,762,186
\$14,000 under \$15,000.....	785,821	1,935,220	453,046	128,689	*1,199	*86	143,033	171,017	761,346	1,635,514
\$15,000 under \$16,000.....	755,867	1,671,165	537,338	199,903	*1,199	*175	125,664	120,246	721,251	1,351,016
\$16,000 under \$17,000.....	705,122	1,384,491	506,899	258,500	*4,271	*623	117,868	126,864	677,169	999,127
\$17,000 under \$18,000.....	718,651	1,313,511	585,834	319,430	*12,951	*5,478	116,945	90,663	666,321	903,418
\$18,000 under \$19,000.....	736,860	1,212,294	653,331	416,690	93,375	12,036	106,161	62,872	589,781	732,731
\$19,000 under \$20,000.....	658,598	969,850	554,278	392,562	188,497	48,315	59,890	62,313	434,538	514,975
\$20,000 under \$25,000.....	2,653,987	2,556,257	2,450,456	1,502,547	1,371,582	1,129,560	232,728	157,666	1,150,292	896,043
\$25,000 and over.....	844,459	325,985	808,339	291,842	723,709	787,061	31,109	8,222	96,102	25,921

Footnotes at end of table.

# Individual Income Tax Returns, 1997

**Table 4.--Returns with Earned Income Credit, by Size of Adjusted Gross Income--Continued**

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

Size of adjusted gross income	Returns with no qualifying children									
	Number of returns	Adjusted gross income	EIC salaries and wages		Nontaxable earned income		EIC self-employment income (less loss)		EIC earned income	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>All returns.....</b>	<b>3,375,180</b>	<b>17,163,937</b>	<b>2,859,940</b>	<b>14,418,897</b>	<b>76,872</b>	<b>26,586</b>	<b>807,401</b>	<b>2,697,273</b>	<b>3,375,180</b>	<b>17,142,755</b>
No adjusted gross income.....	38,720	-969,567	20,814	111,768	--	--	33,612	24,497	38,720	136,265
\$1 under \$1,000.....	177,933	104,577	116,911	75,225	*5,830	*4,792	69,598	66,437	177,933	146,454
\$1,000 under \$2,000.....	245,942	377,345	210,076	358,245	*4,630	*662	54,274	38,287	245,942	397,195
\$2,000 under \$3,000.....	261,038	652,215	211,224	529,291	*7,029	*539	72,192	118,402	261,038	648,233
\$3,000 under \$4,000.....	357,731	1,244,158	298,610	959,563	--	--	83,680	247,440	357,731	1,207,003
\$4,000 under \$5,000.....	383,793	1,720,957	312,766	1,288,308	--	--	105,530	334,141	383,793	1,622,449
\$5,000 under \$6,000.....	411,048	2,249,356	355,961	1,742,969	*8,306	*1,192	90,423	358,717	411,048	2,102,879
\$6,000 under \$7,000.....	375,100	2,436,532	320,377	1,865,601	*5,833	*3,200	89,337	409,624	375,100	2,278,425
\$7,000 under \$8,000.....	429,464	3,222,966	385,977	2,598,437	*4,630	*1,875	84,737	383,939	429,464	2,984,251
\$8,000 under \$9,000.....	421,204	3,577,078	383,539	2,841,711	32,385	11,347	75,081	404,011	421,204	3,257,070
\$9,000 under \$10,000.....	273,208	2,548,322	243,685	2,047,779	*8,228	*2,978	48,937	311,776	273,208	2,362,532
\$10,000 under \$11,000.....	--	--	--	--	--	--	--	--	--	--
\$11,000 under \$12,000.....	--	--	--	--	--	--	--	--	--	--
\$12,000 under \$13,000.....	--	--	--	--	--	--	--	--	--	--
\$13,000 under \$14,000.....	--	--	--	--	--	--	--	--	--	--
\$14,000 under \$15,000.....	--	--	--	--	--	--	--	--	--	--
\$15,000 under \$16,000.....	--	--	--	--	--	--	--	--	--	--
\$16,000 under \$17,000.....	--	--	--	--	--	--	--	--	--	--
\$17,000 under \$18,000.....	--	--	--	--	--	--	--	--	--	--
\$18,000 under \$19,000.....	--	--	--	--	--	--	--	--	--	--
\$19,000 under \$20,000.....	--	--	--	--	--	--	--	--	--	--
\$20,000 under \$25,000.....	--	--	--	--	--	--	--	--	--	--
\$25,000 and over.....	--	--	--	--	--	--	--	--	--	--

Size of adjusted gross income	Returns with no qualifying children--continued									
	Total earned income credit		EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes		EIC refundable portion	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
<b>All returns.....</b>	<b>3,375,180</b>	<b>631,181</b>	<b>996,297</b>	<b>78,274</b>	<b>657,821</b>	<b>145,435</b>	<b>630,908</b>	<b>121,982</b>	<b>2,164,410</b>	<b>430,926</b>
No adjusted gross income.....	38,720	6,950	--	--	--	--	21,707	3,804	19,257	3,146
\$1 under \$1,000.....	177,933	9,884	*3,161	*174	*3,161	*13,672	36,038	3,377	139,970	6,333
\$1,000 under \$2,000.....	245,942	29,340	--	--	--	--	41,974	5,634	207,603	23,705
\$2,000 under \$3,000.....	261,038	48,201	--	--	--	--	67,990	12,658	197,995	35,543
\$3,000 under \$4,000.....	357,731	90,197	--	--	--	--	83,572	18,705	287,785	71,492
\$4,000 under \$5,000.....	383,793	117,097	--	--	--	--	92,277	27,350	300,398	89,748
\$5,000 under \$6,000.....	411,048	123,582	--	--	--	--	94,359	24,291	339,172	99,291
\$6,000 under \$7,000.....	375,100	85,847	60,209	1,002	--	--	81,795	17,196	299,139	67,649
\$7,000 under \$8,000.....	429,464	72,497	356,673	36,458	84,040	2,196	72,405	6,896	286,891	29,144
\$8,000 under \$9,000.....	421,204	38,742	363,021	33,802	357,387	56,729	18,043	1,255	46,973	3,685
\$9,000 under \$10,000.....	273,208	8,845	213,233	6,838	213,233	72,839	20,748	815	39,227	1,192
\$10,000 under \$11,000.....	--	--	--	--	--	--	--	--	--	--
\$11,000 under \$12,000.....	--	--	--	--	--	--	--	--	--	--
\$12,000 under \$13,000.....	--	--	--	--	--	--	--	--	--	--
\$13,000 under \$14,000.....	--	--	--	--	--	--	--	--	--	--
\$14,000 under \$15,000.....	--	--	--	--	--	--	--	--	--	--
\$15,000 under \$16,000.....	--	--	--	--	--	--	--	--	--	--
\$16,000 under \$17,000.....	--	--	--	--	--	--	--	--	--	--
\$17,000 under \$18,000.....	--	--	--	--	--	--	--	--	--	--
\$18,000 under \$19,000.....	--	--	--	--	--	--	--	--	--	--
\$19,000 under \$20,000.....	--	--	--	--	--	--	--	--	--	--
\$20,000 under \$25,000.....	--	--	--	--	--	--	--	--	--	--
\$25,000 and over.....	--	--	--	--	--	--	--	--	--	--

Footnotes at end of table.

# Individual Income Tax Returns, 1997

## Table 4.--Returns with Earned Income Credit, by Size of Adjusted Gross Income--Continued

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

Size of adjusted gross income	Returns with one qualifying child									
	Number of returns	Adjusted gross income	EIC salaries and wages		Nontaxable earned income		EIC self-employment income (less loss)		EIC earned income	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	
<b>All returns.....</b>	<b>7,870,930</b>	<b>102,349,460</b>	<b>7,373,446</b>	<b>92,647,725</b>	<b>898,472</b>	<b>758,399</b>	<b>1,114,116</b>	<b>6,558,682</b>	<b>7,870,930</b>	<b>99,964,806</b>
No adjusted gross income.....	9,289	-286,530	4,470	48,637	*432	*2,710	8,134	11,813	9,289	63,160
\$1 under \$1,000.....	86,819	59,111	74,918	52,757	--	--	13,138	24,891	86,819	77,648
\$1,000 under \$2,000.....	215,058	321,694	212,585	324,171	*12,644	*708	*8,619	*-12,434	215,058	312,445
\$2,000 under \$3,000.....	236,534	592,882	230,957	544,302	--	--	15,315	32,285	236,534	576,588
\$3,000 under \$4,000.....	225,073	781,581	200,876	658,446	*6,322	*231	35,298	133,580	225,073	792,257
\$4,000 under \$5,000.....	258,358	1,178,386	232,405	999,996	*11,956	*2,667	41,991	140,426	258,358	1,143,089
\$5,000 under \$6,000.....	282,656	1,569,265	259,981	1,346,457	*4,398	*338	41,105	176,404	282,656	1,523,199
\$6,000 under \$7,000.....	415,064	2,700,702	340,358	1,974,366	*13,844	*10,059	111,793	609,350	415,064	2,593,775
\$7,000 under \$8,000.....	403,066	3,025,742	359,896	2,506,802	*4,398	*2,409	74,641	460,987	403,066	2,970,197
\$8,000 under \$9,000.....	310,071	2,615,166	278,296	2,246,519	*8,721	*8,993	52,714	329,667	310,071	2,585,180
\$9,000 under \$10,000.....	323,918	3,081,414	286,839	2,569,276	*18,966	*50,922	59,302	415,048	323,918	3,035,246
\$10,000 under \$11,000.....	371,849	3,900,609	346,765	3,394,266	*11,681	*1,951	51,326	358,713	371,849	3,754,930
\$11,000 under \$12,000.....	382,484	4,398,336	349,226	3,683,347	*24,059	*41,302	70,625	513,474	382,484	4,238,122
\$12,000 under \$13,000.....	400,541	5,004,981	380,177	4,411,710	27,499	16,561	65,390	316,132	400,541	4,744,403
\$13,000 under \$14,000.....	396,815	5,362,023	366,199	4,745,961	52,022	66,780	51,933	481,106	396,815	5,293,847
\$14,000 under \$15,000.....	359,571	5,216,821	344,296	4,770,081	67,827	67,611	40,191	336,664	359,571	5,174,356
\$15,000 under \$16,000.....	379,537	5,885,990	358,989	5,216,899	61,548	35,312	50,563	434,325	379,537	5,686,536
\$16,000 under \$17,000.....	376,508	6,206,074	361,135	5,693,665	54,938	60,971	40,501	310,805	376,508	6,065,441
\$17,000 under \$18,000.....	361,482	6,331,625	357,322	5,914,735	57,320	22,804	34,471	139,614	361,482	6,077,153
\$18,000 under \$19,000.....	365,910	6,767,431	344,285	6,105,806	81,093	60,264	55,558	432,610	365,910	6,598,681
\$19,000 under \$20,000.....	324,507	6,331,221	322,360	6,094,237	93,088	71,850	28,429	72,200	324,507	6,238,287
\$20,000 under \$25,000.....	1,264,772	28,234,169	1,244,127	26,572,721	279,037	230,527	147,660	697,555	1,264,772	27,500,803
\$25,000 and over.....	121,046	3,070,767	116,982	2,772,567	*6,679	*3,430	15,421	143,468	121,046	2,919,465

Size of adjusted gross income	Returns with one qualifying child--continued									
	Total earned income credit		EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes		EIC refundable portion	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	
<b>All returns.....</b>	<b>7,870,930</b>	<b>11,421,749</b>	<b>4,146,667</b>	<b>2,058,008</b>	<b>1,561,077</b>	<b>1,305,267</b>	<b>1,059,435</b>	<b>840,204</b>	<b>6,121,693</b>	<b>8,523,537</b>
No adjusted gross income.....	9,289	10,847	--	--	--	--	7,436	4,204	7,439	6,644
\$1 under \$1,000.....	86,819	22,252	--	--	--	--	*11,901	*3,704	86,819	18,548
\$1,000 under \$2,000.....	215,058	103,235	--	--	--	--	*7,382	*1,279	215,058	101,957
\$2,000 under \$3,000.....	236,534	194,524	--	--	--	--	20,480	5,152	236,534	189,372
\$3,000 under \$4,000.....	225,073	265,068	--	--	--	--	42,338	20,479	225,072	244,589
\$4,000 under \$5,000.....	258,358	383,327	--	--	--	--	41,443	23,126	258,358	360,201
\$5,000 under \$6,000.....	282,656	512,808	--	--	--	--	44,673	29,160	282,656	483,649
\$6,000 under \$7,000.....	415,064	858,840	--	--	--	--	113,680	95,387	415,064	763,453
\$7,000 under \$8,000.....	403,066	870,816	--	--	--	--	90,371	77,342	400,711	793,474
\$8,000 under \$9,000.....	310,071	676,230	--	--	--	--	54,716	50,614	309,639	625,616
\$9,000 under \$10,000.....	323,918	700,692	*22,777	*1,079	--	--	63,881	68,507	322,456	631,106
\$10,000 under \$11,000.....	371,849	812,539	*25,995	*6,234	--	--	55,137	61,068	371,805	745,236
\$11,000 under \$12,000.....	382,484	818,548	195,463	14,856	--	--	72,287	84,660	377,692	719,033
\$12,000 under \$13,000.....	400,541	825,347	295,235	61,225	--	--	64,324	62,923	393,444	701,199
\$13,000 under \$14,000.....	396,815	757,392	258,443	83,073	--	--	67,728	71,117	374,174	603,201
\$14,000 under \$15,000.....	359,571	628,409	261,551	111,876	*1,199	*86	56,682	53,459	337,334	463,074
\$15,000 under \$16,000.....	379,537	608,437	340,519	153,549	--	--	68,590	47,255	350,420	407,633
\$16,000 under \$17,000.....	376,508	541,066	365,995	205,244	*4,271	*623	43,726	33,511	353,247	302,311
\$17,000 under \$18,000.....	361,482	466,999	345,030	236,144	*12,943	*5,461	43,016	18,340	334,402	212,514
\$18,000 under \$19,000.....	365,910	400,382	355,787	288,860	93,375	12,036	52,876	20,121	230,747	91,400
\$19,000 under \$20,000.....	324,507	307,884	313,857	265,600	188,496	48,315	12,812	4,228	125,598	38,056
\$20,000 under \$25,000.....	1,264,772	648,592	1,246,167	622,826	1,140,945	1,036,213	23,955	4,568	111,823	21,198
\$25,000 and over.....	121,046	7,513	119,847	7,440	119,847	202,533	--	--	*1,199	*73

Footnotes at end of table.

# Individual Income Tax Returns, 1997

**Table 4.--Returns with Earned Income Credit, by Size of Adjusted Gross Income--Continued**

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

Size of adjusted gross income	Returns with two or more qualifying children									
	Number of returns	Adjusted gross income	EIC salaries and wages		Nontaxable earned income		EIC self-employment income (less loss)		EIC earned income	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)	(70)
<b>All returns.....</b>	<b>8,145,068</b>	<b>118,362,736</b>	<b>7,640,520</b>	<b>106,496,522</b>	<b>1,031,061</b>	<b>1,273,890</b>	<b>1,498,408</b>	<b>10,104,229</b>	<b>8,145,068</b>	<b>117,874,642</b>
No adjusted gross income.....	29,292	-1,008,586	22,152	313,923	*2,281	*1,597	19,388	38,274	29,292	353,794
\$1 under \$1,000.....	91,424	53,355	87,529	57,660	--	--	*3,899	*2,649	91,424	60,310
\$1,000 under \$2,000.....	124,002	190,362	104,910	196,827	*1,199	*149	28,733	52,109	124,002	249,085
\$2,000 under \$3,000.....	169,602	417,577	160,958	391,331	*4,398	*18,178	14,827	34,324	169,602	443,833
\$3,000 under \$4,000.....	198,100	687,219	187,478	629,521	*1,206	*31	15,570	49,413	198,100	678,965
\$4,000 under \$5,000.....	230,493	1,032,192	216,243	989,689	*4,280	*3,098	37,453	39,167	230,493	1,031,954
\$5,000 under \$6,000.....	250,986	1,369,471	242,053	1,242,944	*12,644	*9,900	32,928	115,703	250,986	1,368,547
\$6,000 under \$7,000.....	268,525	1,741,925	247,171	1,502,983	*11,919	*2,486	51,118	242,756	268,525	1,748,225
\$7,000 under \$8,000.....	272,685	2,062,209	253,913	1,769,792	*6,322	*2,715	47,376	191,701	272,685	1,964,209
\$8,000 under \$9,000.....	374,837	3,199,140	338,359	2,708,176	*18,241	*3,685	99,077	445,594	374,837	3,157,455
\$9,000 under \$10,000.....	355,753	3,364,649	302,055	2,607,966	*24,563	*6,947	94,964	677,240	355,753	3,292,152
\$10,000 under \$11,000.....	370,615	3,904,709	328,970	3,205,911	28,887	51,940	78,449	563,511	370,615	3,821,361
\$11,000 under \$12,000.....	395,386	4,545,137	361,239	3,873,867	34,321	30,470	77,531	506,768	395,386	4,411,105
\$12,000 under \$13,000.....	321,019	3,997,771	302,992	3,613,707	29,652	17,187	47,056	323,792	321,019	3,954,686
\$13,000 under \$14,000.....	386,320	5,205,624	370,942	4,729,346	56,568	170,372	60,404	329,948	386,320	5,229,666
\$14,000 under \$15,000.....	426,250	6,169,254	396,259	5,335,035	45,099	37,073	92,265	655,820	426,250	6,027,928
\$15,000 under \$16,000.....	376,329	5,842,778	366,800	5,247,335	72,028	48,664	62,923	446,693	376,329	5,742,693
\$16,000 under \$17,000.....	328,614	5,431,588	306,421	4,727,603	57,981	150,718	61,337	562,903	328,614	5,441,223
\$17,000 under \$18,000.....	357,169	6,244,756	337,119	5,675,747	64,899	88,170	71,165	487,577	357,169	6,251,493
\$18,000 under \$19,000.....	370,950	6,847,069	361,114	6,445,033	62,775	108,173	42,177	287,794	370,950	6,840,999
\$19,000 under \$20,000.....	334,091	6,520,428	316,988	5,910,372	55,637	54,985	52,259	481,752	334,091	6,447,109
\$20,000 under \$25,000.....	1,389,215	31,047,166	1,330,778	27,860,711	289,951	313,199	239,659	2,190,777	1,389,215	30,364,687
\$25,000 and over.....	723,413	19,496,944	698,076	17,461,044	146,210	154,154	167,850	1,377,964	723,413	18,993,162

Size of adjusted gross income	Returns with two or more qualifying children--continued									
	Total earned income credit		EIC used to offset income tax before credits		Total income tax		EIC used to offset all other taxes		EIC refundable portion	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(71)	(72)	(73)	(74)	(75)	(76)	(77)	(78)	(79)	(80)
<b>All returns.....</b>	<b>8,145,068</b>	<b>18,335,652</b>	<b>3,256,591</b>	<b>1,631,708</b>	<b>835,706</b>	<b>678,068</b>	<b>1,350,602</b>	<b>1,262,745</b>	<b>7,081,766</b>	<b>15,441,198</b>
No adjusted gross income.....	29,292	66,370	--	--	--	--	14,905	12,076	27,591	54,294
\$1 under \$1,000.....	91,424	23,932	--	--	--	--	*3,899	*480	90,632	23,452
\$1,000 under \$2,000.....	124,002	80,032	--	--	--	--	29,538	8,214	122,296	71,818
\$2,000 under \$3,000.....	169,602	175,833	--	--	--	--	*13,627	*4,713	169,602	171,120
\$3,000 under \$4,000.....	198,100	270,383	--	--	--	--	17,931	7,738	198,100	262,645
\$4,000 under \$5,000.....	230,493	408,413	--	--	--	--	31,464	16,311	230,493	392,102
\$5,000 under \$6,000.....	250,986	541,767	--	--	--	--	35,996	19,382	250,986	522,385
\$6,000 under \$7,000.....	268,525	689,121	--	--	--	--	61,726	41,401	268,525	647,720
\$7,000 under \$8,000.....	272,685	779,870	--	--	--	--	42,350	36,280	272,685	743,591
\$8,000 under \$9,000.....	374,837	1,233,275	*3,593	*262	--	--	93,912	83,788	374,837	1,149,225
\$9,000 under \$10,000.....	355,753	1,259,386	*2,436	*158	--	--	100,003	105,003	355,753	1,154,225
\$10,000 under \$11,000.....	370,615	1,313,290	*4,360	*1,713	--	--	87,132	93,755	368,535	1,217,823
\$11,000 under \$12,000.....	395,386	1,403,443	*8,738	*2,639	--	--	77,851	92,689	393,806	1,308,115
\$12,000 under \$13,000.....	321,019	1,101,053	*16,279	*3,220	--	--	49,615	56,618	320,693	1,041,214
\$13,000 under \$14,000.....	386,320	1,229,995	*20,418	*5,093	--	--	58,912	65,916	385,201	1,158,985
\$14,000 under \$15,000.....	426,250	1,306,811	191,495	16,813	--	--	86,351	117,558	424,012	1,172,440
\$15,000 under \$16,000.....	376,329	1,062,728	196,819	46,354	*1,199	*175	57,074	72,991	370,831	943,383
\$16,000 under \$17,000.....	328,614	843,424	140,904	53,256	--	--	74,142	93,353	323,922	696,816
\$17,000 under \$18,000.....	357,169	846,512	240,804	83,285	**	**	73,929	72,323	331,920	690,904
\$18,000 under \$19,000.....	370,950	811,912	297,544	127,830	--	--	53,285	42,752	359,034	641,331
\$19,000 under \$20,000.....	334,091	661,966	240,421	126,961	**	**	47,078	58,085	308,940	476,919
\$20,000 under \$25,000.....	1,389,215	1,907,664	1,204,289	879,721	230,637	93,347	208,773	153,098	1,038,469	874,846
\$25,000 and over.....	723,413	318,472	688,492	284,402	603,861	584,528	31,109	8,222	94,902	25,848

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

\*\*Data deleted to avoid disclosure of information for specific taxpayers. Deleted data included in the appropriate totals.

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