

Individual Income Tax Returns, Preliminary Data, 1997

Data Release

Taxpayers filed 122.5 million U.S. individual income tax returns for 1997, an increase of 1.6 percent from the nearly 120.6 million returns filed for 1996. Adjusted gross income less deficit (AGI) increased 9.2 percent to nearly \$5.0 trillion for 1997. Taxable income increased 10.7 percent to \$3.4 trillion. Total income tax increased 10.8 percent to \$732.6 billion, and the alternative minimum tax rose 45.4 percent to \$3.5 billion for 1997.

Figure A shows that the largest component of AGI, salaries and wages, increased 7.0 percent to \$3.6 trillion for 1997. The second largest component of AGI, net capital gain reported on Schedule D, *Capital Gains and Losses*, increased 38.1 percent to \$347.9 billion. This increase continued the trend of large capital gain increases from the previous year, reflecting the strong growth of the stock market for 1997. In addition, it reflected greater realizations of capital gain following legislation which lowered the tax rates on long-term capital gain (see the Changes in Law section of this data release). Taxable income from pensions and annuities rose 8.9 percent to \$264.3 billion, while partnership and S Corporation net income rose 10.3 percent to \$195.3 billion. Other income items with large percentage changes include taxable Individual Retirement Arrangement (IRA) distributions, which rose 20.4 percent to \$55.6 billion; taxable Social Security benefits, which increased 15.5 percent to \$62.5 billion; dividends, which increased 14.9 percent to \$118.3 billion; and unemployment compensation, which decreased 10.8 percent to \$17.2 billion.

Statutory adjustments to total income increased 9.3 percent, from \$41.7 billion for 1996 to \$45.6 billion for 1997. The largest statutory adjustment was the deduction for one-half of self-employment tax, representing 31.3 percent of the total, which increased 4.7 percent to \$14.3 billion. The self-employed health insurance deduction increased 36.5 percent to \$3.7 billion, mostly because of the 1997 change in law which increased the deductible percentage amount from 30 percent to 40 percent of

premiums. Forfeited interest penalty increased 35.2 percent to \$0.2 billion.

Total deductions, the sum of the standard deductions and total itemized deductions (after limitation), equaled \$1,050.0 billion for 1997, an increase of 5.9 percent. The number of returns claiming the basic standard deduction increased 0.8 percent, accounting for 69.4 percent of all returns filed and 40.9 percent of the total deductions amount. The average standard deduction (comprised of the basic and additional standard deductions) increased 2.6 percent from \$5,079 for 1996 to \$5,212 for 1997. This increase was largely due to inflation indexing of the standard deduction amounts. Itemized deductions were claimed on 29.8 percent of all returns filed for 1997 and represented 57.8 percent of the total deduction amount. The average total for itemized deductions (after limitation) equaled \$16,615, a 4.3-percent increase from the 1996 average of \$15,924. Due to the AGI limitation on itemized deductions, for 1997, nearly 4.5 million higher-income taxpayers were unable to deduct \$22.7 billion in itemized deductions, an increase of 20.2 percent from 1996. Interest paid, comprising the largest portion (38.6 percent) of total itemized deductions, increased 6.8 percent to \$243.2 billion. The taxes paid deduction, accounting for 34.7 percent of the total, increased 7.7 percent to \$218.1 billion. The charitable contribution deduction showed the largest percentage increase (13.7 percent), rising to \$95.8 billion.

Total tax credits, used to offset income tax liabilities, increased 7.3 percent to \$11.6 billion. The change in total credits was primarily a result of the increases in two different credits. The foreign tax credit increased 16.0 percent to \$3.7 billion, while the portion of the EIC used to offset income tax before credits rose 4.8 percent to \$3.8 billion.

The total earned income credit (EIC) increased 4.3 percent to \$30.6 billion. While the portion used to offset other taxes (such as the self-employment tax) rose 3.3 percent to more than \$2.2 billion, the largest part of the EIC was the refundable portion, which was treated as a refund and paid directly to taxpayers who had no tax liability against which to apply the credit, or whose EIC exceeded income tax (and other taxes). The refundable portion of the EIC totaled \$24.6 billion for 1997, an increase of 4.3 percent from 1996.

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Individual Income Tax Returns, Preliminary Data, 1997

Figure A

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 1996 and 1997

(Money amounts are in thousands of dollars)

Item	1996	1997	Percentage increase
	(1)	(2)	(3)
All returns.....	120,634,273	122,504,288	1.6
Form 1040 returns.....	66,109,584	68,471,003	3.6
Form 1040A returns.....	24,689,790	24,899,806	0.9
Form 1040EZ returns.....	21,421,288	21,335,143	-0.4
Form 1040PC returns.....	8,413,611	7,798,336	-7.3
Electronically-filed returns ¹	19,257,932	24,640,273	27.9
Adjusted gross income (less deficit).....	4,554,396,756	4,973,633,695	9.2
Salaries and wages:			
Number of returns.....	103,160,338	104,732,774	1.5
Amount.....	3,397,436,406	3,636,547,837	7.0
Taxable interest:			
Number of returns.....	67,499,178	67,473,250	(?)
Amount.....	159,710,456	163,192,471	2.2
Tax-exempt interest: ³			
Number of returns.....	5,055,334	4,930,466	-2.5
Amount.....	48,980,952	48,542,710	-0.9
Dividends:			
Number of returns.....	27,758,744	29,465,494	6.1
Amount.....	102,934,394	118,281,322	14.9
State income tax refunds:			
Number of returns.....	18,390,889	19,263,349	4.7
Amount.....	12,138,783	13,431,766	10.7
Alimony received:			
Number of returns.....	422,701	415,638	-1.7
Amount.....	4,615,750	4,752,275	3.0
Business or profession net income:			
Number of returns.....	12,545,355	12,653,651	0.9
Amount.....	195,074,131	204,173,708	4.7
Business or profession net loss:			
Number of returns.....	4,209,250	4,232,951	0.6
Amount.....	21,943,033	22,422,137	2.2
Net capital gain: ⁴			
Number of returns.....	17,457,404	19,707,181	12.9
Amount.....	251,897,727	347,926,242	38.1
Net capital loss:			
Number of returns.....	4,599,378	4,429,092	-3.7
Amount.....	8,827,482	8,636,881	-2.2
Sales of property other than capital assets, net gain:			
Number of returns.....	819,795	860,835	5.0
Amount.....	6,176,806	5,895,975	-4.5
Sales of property other than capital assets, net loss:			
Number of returns.....	969,076	831,274	-14.2
Amount.....	7,753,579	6,998,771	-9.7
Taxable Individual Retirement Arrangement distributions:			
Number of returns.....	5,925,947	6,287,644	6.1
Amount.....	46,150,385	55,558,686	20.4
Taxable pensions and annuities:			
Number of returns.....	19,499,491	19,729,019	1.2
Amount.....	242,799,917	264,326,557	8.9
Rent and royalty net income:			
Number of returns.....	5,116,624	5,119,867	0.1
Amount.....	42,018,487	44,019,717	4.8
Rent and royalty net loss:			
Number of returns.....	4,470,354	4,456,646	-0.3
Amount.....	24,692,768	25,002,599	1.3
Partnership and S Corporation net income:			
Number of returns.....	3,599,488	3,672,708	2.0
Amount.....	177,143,603	195,321,321	10.3
Partnership and S Corporation net loss:			
Number of returns.....	2,062,829	1,947,383	-5.6
Amount.....	32,187,522	32,860,320	2.1

Footnotes at end of figure.

Individual Income Tax Returns, Preliminary Data, 1997

Figure A--Continued

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 1996 and 1997--Continued

(Money amounts are in thousands of dollars)

Item	1996	1997	Percentage increase
	(1)	(2)	(3)
Estate and trust net income:			
Number of returns.....	473,407	430,633	-9.0
Amount.....	7,492,558	8,052,676	7.5
Estate and trust net loss:			
Number of returns.....	41,365	46,596	12.6
Amount.....	410,329	450,594	9.8
Farm net income:			
Number of returns.....	738,877	736,690	-0.3
Amount.....	9,210,256	9,500,887	3.2
Farm net loss:			
Number of returns.....	1,461,717	1,437,932	-1.6
Amount.....	15,832,450	15,801,791	-0.2
Unemployment compensation:			
Number of returns.....	8,016,215	7,154,482	-10.7
Amount.....	19,267,076	17,190,215	-10.8
Taxable Social Security benefits:			
Number of returns.....	7,480,402	8,415,004	12.5
Amount.....	54,155,182	62,542,027	15.5
Total statutory adjustments:			
Number of returns.....	18,334,884	18,604,112	1.5
Amount.....	41,736,000	45,628,205	9.3
Payments to an Individual Retirement Arrangement:			
Number of returns.....	4,403,911	4,094,100	-7.0
Amount.....	8,729,185	8,739,421	0.1
Medical savings account deduction:			
Number of returns.....	N/A	10,429	N/A
Amount.....	N/A	17,507	N/A
Moving expenses adjustment:			
Number of returns.....	811,324	767,911	-5.4
Amount.....	1,587,968	1,786,132	12.5
Self-employment tax deduction:			
Number of returns.....	13,146,720	13,368,106	1.7
Amount.....	13,640,416	14,280,723	4.7
Self-employed health insurance deduction:			
Number of returns.....	3,068,842	3,148,427	2.6
Amount.....	2,700,169	3,686,328	36.5
Payments to a self-employed retirement (Keogh) plan:			
Number of returns.....	1,081,582	1,169,016	8.1
Amount.....	8,822,596	9,820,102	11.3
Forfeited interest penalty:			
Number of returns.....	715,404	927,381	29.6
Amount.....	171,498	231,862	35.2
Alimony paid:			
Number of returns.....	593,748	619,979	4.4
Amount.....	5,444,118	6,146,687	12.9
Total deductions:			
Number of returns.....	119,722,143	121,575,987	1.5
Amount.....	991,421,589	1,049,970,181	5.9
Basic standard deduction:			
Number of returns.....	84,377,400	85,071,506	0.8
Amount.....	415,113,986	429,938,966	3.6
Additional standard deduction:			
Number of returns.....	11,178,259	11,257,922	0.7
Amount.....	13,462,417	13,493,067	0.2
Total itemized deductions (after limitation):			
Number of returns.....	35,344,743	36,504,481	3.3
Amount.....	562,845,185	606,538,148	7.8
Itemized deductions in excess of limitation:			
Number of returns.....	4,055,698	4,479,837	10.5
Amount.....	18,901,571	22,715,637	20.2
Medical and dental expenses deduction:			
Number of returns.....	5,353,009	5,193,855	-3.0
Amount.....	26,787,262	28,838,607	7.7

Footnotes at end of figure.

Individual Income Tax Returns, Preliminary Data, 1997

Figure A--Continued

Individual Income Tax Returns, Preliminary Data: Selected Income and Tax Items, Tax Years 1996 and 1997--Continued

(Money amounts are in thousands of dollars)

Item	1996	1997	Percentage increase
	(1)	(2)	
Taxes paid deduction:			
Number of returns.....	34,809,833	35,991,146	3.4
Amount.....	202,508,276	218,100,408	7.7
Interest paid deduction:			
Number of returns.....	29,755,003	30,683,207	3.1
Amount.....	227,625,566	243,179,413	6.8
Charitable contributions deduction:			
Number of returns.....	31,580,891	32,543,464	3.0
Amount.....	84,264,918	95,820,541	13.7
Taxable income:			
Number of returns.....	96,797,748	99,395,449	2.7
Amount.....	3,100,719,765	3,432,601,738	10.7
Income tax before credits:			
Number of returns.....	96,743,058	99,305,907	2.6
Amount.....	669,459,918	740,652,974	10.6
Total tax credits:⁵			
Number of returns.....	15,937,259	16,235,140	1.9
Amount.....	10,807,317	11,591,063	7.3
Child care credit:			
Number of returns.....	5,979,181	5,823,415	-2.6
Amount.....	2,530,689	2,475,419	-2.2
Credit for the elderly or disabled:			
Number of returns.....	169,697	192,560	13.5
Amount.....	32,060	41,819	30.4
Adoption credit:			
Number of returns.....	N/A	30,286	N/A
Amount.....	N/A	54,859	N/A
Foreign tax credit:			
Number of returns.....	2,107,378	2,329,539	10.5
Amount.....	3,147,731	3,650,471	16.0
General business credit:			
Number of returns.....	279,785	296,981	6.1
Amount.....	648,634	719,091	10.9
Minimum tax credit:			
Number of returns.....	110,466	110,042	-0.4
Amount.....	636,343	618,349	-2.8
Income tax after credits:			
Number of returns.....	91,032,065	93,493,709	2.7
Amount.....	658,652,601	729,061,910	10.7
Self-employment tax:			
Number of returns.....	13,160,508	13,370,219	1.6
Amount.....	27,288,668	28,563,757	4.7
Alternative minimum tax:			
Number of returns.....	453,807	590,649	30.2
Amount.....	2,412,710	3,508,934	45.4
Total earned income credit (EIC):			
Number of returns.....	19,717,960	19,490,211	-1.2
Amount.....	29,374,661	30,635,793	4.3
EIC used to offset income tax before credits:			
Number of returns.....	8,296,884	8,435,216	1.7
Amount.....	3,613,129	3,788,127	4.8
EIC used to offset other taxes:			
Number of returns.....	3,083,045	3,034,468	-1.6
Amount.....	2,150,021	2,220,331	3.3
Excess EIC, refundable portion:			
Number of returns.....	15,608,103	15,498,935	-0.7
Amount.....	23,611,511	24,627,335	4.3
Total income tax:			
Number of returns.....	91,051,831	93,509,465	2.7
Amount.....	661,075,925	732,582,380	10.8
Total tax liability:			
Number of returns.....	93,311,396	95,620,585	2.5
Amount.....	689,268,535	762,354,215	10.6

N/A - Not applicable.

¹ Included in data for Forms 1040, 1040A, and 1040EZ.

² Percentage not calculated.

³ Not included in adjusted gross income.

⁴ Since capital gain distributions were included on Schedule D for 1997, net capital gain for 1996 was computed by adding net capital gain reported on Schedule D and capital gain distributions reported on Form 1040.

⁵ Includes EIC used to offset income tax before credits.

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

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The comparisons of data for Tax Years 1996 and 1997 in this article are based on the preliminary estimates for both years [1]. A few income and tax items tend to be understated in preliminary estimates; therefore, comparisons based on preliminary estimates for one year and final estimates for the previous year could be misleading. Comparisons based entirely on preliminary estimates both reduce the likelihood of misinterpretation of the data and afford a more accurate representation of year-to-year changes. Final statistics for Tax Year 1996 are available in the Fall 1998 issue of the *Bulletin*.

Changes in Law

In general, the definitions used in this article are the same as those in *Statistics of Income—1996, Individual Income Tax Returns*. The following is a partial list of tax law and Internal Revenue Service administrative changes that had a major bearing on the 1997 preliminary data presented in this article. The list does not include the personal exemption amounts, the itemized deduction limitation, the self-employment tax, standard and additional standard deduction amounts, and tax bracket boundaries, all of which increased due to indexing for inflation. However, the increases associated with the earned income credit, which were due to indexing for inflation, are described below.

Adoption Credit.— Certain taxpayers were able to take a tax credit for qualifying expenses paid in 1997 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).

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

Capital Gain Rates.— The maximum long-term capital gain tax rate for sales or exchanges of property after May 6, 1997, was generally reduced to 20 percent (10 percent for taxpayers in the 15-percent tax bracket). However, the maximum rate on gains from the sale of “certain” depreciable real property was only reduced to 25 percent. Therefore, for 1997, the 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 were also used to compute the alternative mini-

mum tax.

Earned Income Credit.—The maximum amount of the earned income credit increased, as did the amounts of *earned* income, modified AGI, and investment income an individual could have and still claim the credit. The amount of investment income a taxpayer could have and still claim the credit increased \$50 to \$2,250. The maximum credit for taxpayers with no qualifying children increased 2.8 percent 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 increased 2.7 percent to \$2,210, and, for taxpayers with two or more qualifying children, the maximum credit increased 2.8 percent to \$3,656. 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 Retirement Arrangements (IRA's).— Beginning with 1997, married couples filing jointly could contribute up to \$2,000 to each spouse's IRA, even if one spouse had little or no income. Previously, if one spouse had no income or elected to be treated as having no income, the combined IRA contributions could not exceed \$2,250.

Medical Savings Account Deduction.— Certain taxpayers covered only by high-deductible health plans could participate in the medical savings account program, beginning with 1997. This program allowed the taxpayer to take an income adjustment of up to \$1,462.50 (\$3,375 for family coverage) per year for contributions to a medical savings account, the proceeds of which would pay unreimbursed medical expenses.

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

Self-Employed Health Insurance Deduction.— Beginning with 1997, the maximum percentage of self-employed health insurance premiums deducted as an adjustment to income increased to 40 percent (up from 30 percent for 1996).

Data Sources and Limitations

The preliminary statistics in this data release are

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based on a sample of individual income tax returns (Forms 1040, 1040A, 1040EZ, and 1040PC, including electronically-filed returns) filed during Calendar Year 1998. 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 Treasury Department tax modeling purposes [2]. Returns were then selected at rates ranging from 0.02 percent to 100 percent. The preliminary 1997 data are based on a sample of 102,565 returns and an estimated final population of 122,985,588 returns. The corresponding sample and population for the preliminary 1996 data were 103,936 and 120,918,981 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. 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*.

While the preliminary estimates are intended to represent a full year of taxpayer reporting, they are actually based on returns processed for tax administration purposes, in the case of 1997 returns, between January and late September of 1998. In

general, returns processed during the remainder of each year tend to have somewhat different characteristics compared to returns processed earlier. These characteristics include disproportionately large amounts of investment income, passive losses, and alternative minimum tax, for example.

Notes and References

- [1] The preliminary estimates for 1997 published in this article differ from the "early tax estimates" published for 1997 in the Winter 1998-1999 issue of the *Bulletin* and from the 1997 "taxpayer usage study" results published earlier in the Summer 1998 issue. The preliminary estimates in this article represent estimated totals expected for the full tax year, but based on returns processed by the Internal Revenue Service only in January through September 1998. The previous estimates represent data for most, but not all, of Tax Year 1997, for returns filed and processed in January through April 1998. All three sets of "preliminary" data are based on different sample designs.
- [2] 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, Spring 1999

Individual Income Tax Returns, Preliminary Data, 1997

Table 1.--Individual Income Tax Returns, Tax Year 1997 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income

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

Item	All returns	Size of adjusted gross income					
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
All returns.....	122,504,288	41,436,946	29,454,514	22,753,608	21,700,399	5,359,647	1,799,175
Form 1040 returns.....	68,471,003	15,041,078	13,017,013	14,824,474	18,815,254	5,037,228	1,735,957
Form 1040A returns.....	24,899,806	11,023,857	8,804,862	4,098,409	972,678	--	--
Form 1040EZ returns.....	21,335,143	13,166,926	5,844,343	2,123,328	200,547	--	--
Form 1040PC returns.....	7,798,336	2,205,086	1,788,297	1,707,396	1,711,920	322,419	63,218
Electronically-filed returns ²	24,640,273	10,371,449	7,583,978	3,907,729	2,455,655	290,299	31,163
Adjusted gross income (less deficit).....	4,973,633,695	259,180,204	643,847,109	887,675,887	1,484,243,618	705,879,573	992,807,303
Salaries and wages:							
Number of returns.....	104,732,774	32,904,967	25,189,098	20,597,089	19,729,791	4,786,808	1,525,021
Amount.....	3,636,547,837	237,692,007	512,625,425	734,567,271	1,193,037,510	499,592,768	459,032,855
Taxable interest:							
Number of returns.....	67,473,250	14,143,027	13,495,434	14,768,449	18,200,479	5,101,385	1,764,475
Amount.....	163,192,471	18,062,654	23,486,608	23,723,473	36,932,938	22,092,838	38,893,959
Tax-exempt interest: ³							
Number of returns.....	4,930,466	475,059	541,323	723,479	1,518,357	960,906	711,342
Amount.....	48,542,710	1,653,442	2,028,604	4,488,625	9,341,277	9,056,258	21,974,503
Dividends:							
Number of returns.....	29,465,494	5,256,855	4,602,355	5,481,944	8,920,182	3,654,799	1,549,359
Amount.....	118,281,322	6,707,505	9,537,151	11,024,877	25,669,939	21,997,288	43,344,563
State income tax refunds:							
Number of returns.....	19,263,349	567,372	2,011,442	4,884,488	8,596,623	2,383,687	819,736
Amount.....	13,431,766	301,043	755,850	2,101,307	4,771,484	2,325,292	3,176,790
Alimony received:							
Number of returns.....	415,638	117,704	133,647	98,026	54,204	10,745	1,312
Amount.....	4,752,275	619,581	1,112,749	1,206,280	1,174,611	520,385	118,669
Business or profession net income:							
Number of returns.....	12,653,651	3,677,950	2,522,552	2,397,781	2,714,990	946,937	393,442
Amount.....	204,173,708	21,529,271	25,001,522	28,556,399	47,789,510	40,177,552	41,119,454
Business or profession net loss:							
Number of returns.....	4,232,951	837,470	824,053	928,046	1,215,622	316,054	111,707
Amount.....	22,422,137	7,547,009	3,411,624	3,401,085	4,700,772	1,662,104	1,699,543
Net capital gain:							
Number of returns.....	19,707,181	3,500,067	2,798,188	3,557,386	5,830,407	2,748,441	1,272,691
Amount.....	347,926,242	9,724,488	9,117,563	13,178,234	38,450,454	44,904,657	232,550,846
Net capital loss:							
Number of returns.....	4,429,092	871,616	704,237	763,832	1,250,913	590,702	247,792
Amount.....	8,636,881	1,711,382	1,281,090	1,492,640	2,365,115	1,191,347	595,307
Sales of property other than capital assets, net gain:							
Number of returns.....	860,835	160,487	148,440	147,166	212,828	108,898	83,017
Amount.....	5,895,975	816,410	509,804	704,023	1,251,620	846,780	1,767,338
Sales of property other than capital assets, net loss:							
Number of returns.....	831,274	132,850	135,797	116,353	178,277	137,688	130,309
Amount.....	6,998,771	2,855,207	550,202	465,853	888,540	807,876	1,431,093
Taxable Individual Retirement Arrangement distributions:							
Number of returns.....	6,287,644	1,052,127	1,731,370	1,299,286	1,579,088	477,818	147,955
Amount.....	55,558,686	3,867,570	7,858,646	9,237,459	15,836,208	11,333,853	7,424,950
Taxable pensions and annuities:							
Number of returns.....	19,729,019	4,274,701	5,146,855	4,089,977	4,640,231	1,231,486	345,769
Amount.....	264,326,557	25,735,370	54,528,787	53,963,685	85,082,253	31,886,752	13,129,710
Rent and royalty net income:							
Number of returns.....	5,119,867	814,213	977,981	994,257	1,321,755	650,008	361,652
Amount.....	44,019,717	3,252,485	3,750,644	4,335,952	9,304,957	8,107,406	15,268,273
Rent and royalty net loss:							
Number of returns.....	4,456,646	614,072	734,069	956,425	1,516,222	518,567	117,291
Amount.....	25,002,599	4,121,648	3,197,326	4,555,999	8,104,244	3,281,343	1,742,039
Partnership and S Corporation net income:							
Number of returns.....	3,672,708	338,779	376,657	517,431	1,023,372	773,082	643,387
Amount.....	195,321,321	2,488,570	3,094,155	4,868,795	16,178,960	26,342,763	142,348,078
Partnership and S Corporation net loss:							
Number of returns.....	1,947,383	326,221	231,560	308,504	529,528	339,049	212,521
Amount.....	32,860,320	12,052,062	1,607,142	2,154,619	3,423,626	3,556,472	10,066,399

Footnotes at end of table.

Individual Income Tax Returns, Preliminary Data, 1997

Table 1.--Individual Income Tax Returns, Tax Year 1997 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income--Continued

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

Item	All returns	Size of adjusted gross income					
		Under	\$15,000	\$30,000	\$50,000	\$100,000	\$200,000
		\$15,000 ¹	under \$30,000	under \$50,000	under \$100,000	under \$200,000	or more
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Estate and trust net income:							
Number of returns.....	430,633	52,799	56,200	58,351	111,585	89,149	62,549
Amount.....	8,052,676	221,882	157,422	278,712	1,060,702	1,390,206	4,943,752
Estate and trust net loss:							
Number of returns.....	46,596	3,856	5,844	8,648	9,044	13,344	5,861
Amount.....	450,594	179,432	14,832	9,673	39,572	58,306	148,779
Farm net income:							
Number of returns.....	736,690	202,850	168,881	134,009	171,919	44,434	14,595
Amount.....	9,500,887	994,045	1,439,695	1,857,958	2,623,619	1,546,938	1,038,631
Farm net loss:							
Number of returns.....	1,437,932	364,299	300,872	312,394	330,732	88,979	40,657
Amount.....	15,801,791	5,051,853	2,500,379	2,468,056	3,063,275	1,155,680	1,562,547
Unemployment compensation:							
Number of returns.....	7,154,482	2,111,890	2,178,910	1,556,399	1,150,125	141,777	15,381
Amount.....	17,190,215	4,237,377	5,365,801	3,939,784	3,114,560	481,489	51,204
Taxable Social Security benefits:							
Number of returns.....	8,415,004	52,764	1,642,075	2,788,676	2,885,272	760,966	285,250
Amount.....	62,542,027	215,540	2,586,378	14,338,603	30,925,265	10,195,039	4,281,202
Total statutory adjustments:							
Number of returns.....	18,604,112	4,464,250	3,901,326	3,879,439	3,992,394	1,562,954	803,748
Amount.....	45,628,205	3,915,706	6,089,767	7,149,696	10,871,846	9,142,616	8,458,573
Payments to an Individual Retirement Arrangement:							
Number of returns.....	4,094,100	502,662	1,184,308	1,291,851	716,080	285,712	113,487
Amount.....	8,739,421	870,367	2,191,525	2,438,421	1,940,138	904,789	394,181
Moving expenses adjustment:							
Number of returns.....	767,911	82,445	139,738	201,610	227,306	91,476	25,337
Amount.....	1,786,132	143,841	188,901	406,947	522,510	393,810	130,125
Self-employment tax deduction:							
Number of returns.....	13,368,106	3,715,974	2,591,737	2,428,140	2,884,985	1,126,808	620,462
Amount.....	14,280,723	1,665,207	2,066,401	2,364,833	3,840,161	2,372,313	1,971,809
Self-employed health insurance deduction:							
Number of returns.....	3,148,427	521,771	624,216	628,038	718,766	379,275	276,360
Amount.....	3,686,328	449,371	620,367	674,952	861,858	562,509	517,271
Payments to a self-employed retirement (Keogh) plan:							
Number of returns.....	1,169,016	24,870	64,241	125,119	401,391	328,423	224,972
Amount.....	9,820,102	55,827	164,482	434,372	2,052,448	3,318,889	3,794,085
Forfeited interest penalty:							
Number of returns.....	927,381	226,782	180,876	206,847	241,888	56,484	14,505
Amount.....	231,862	37,324	101,972	32,208	42,197	11,973	6,187
Alimony paid:							
Number of returns.....	619,979	63,418	98,754	121,723	189,189	98,980	47,915
Amount.....	6,146,687	490,735	620,869	686,227	1,380,275	1,431,881	1,536,699
Total deductions:							
Number of returns.....	121,575,987	40,534,271	29,438,738	22,747,769	21,696,826	5,359,263	1,799,119
Amount.....	1,049,970,181	190,547,254	183,691,821	182,237,772	268,914,574	117,817,932	106,760,829
Basic standard deduction:							
Number of returns.....	85,071,506	39,121,238	25,040,672	13,911,367	6,362,804	507,773	127,651
Amount.....	429,938,966	170,848,962	133,401,155	80,931,737	40,644,604	3,295,088	817,422
Additional standard deduction:							
Number of returns.....	11,257,922	4,598,888	3,517,172	1,633,043	1,258,829	206,031	43,961
Amount.....	13,493,067	5,173,189	4,350,505	2,011,709	1,612,879	286,548	58,237
Total itemized deductions (after limitation):							
Number of returns.....	36,504,481	1,413,033	4,398,066	8,836,402	15,334,023	4,851,490	1,671,468
Amount.....	606,538,148	14,525,103	45,940,161	99,294,326	226,657,091	114,236,296	105,885,171
Itemized deductions in excess of limitation:							
Number of returns.....	4,479,837	--	--	--	99,490	2,709,271	1,671,075
Amount.....	22,715,637	--	--	--	44,319	2,410,224	20,261,094
Medical and dental expenses deduction:							
Number of returns.....	5,193,855	792,478	1,581,592	1,501,984	1,150,643	145,568	21,589
Amount.....	28,838,607	4,910,813	8,571,159	6,536,740	6,239,427	1,996,991	583,478
Taxes paid deduction:							
Number of returns.....	35,991,146	1,266,180	4,249,276	8,734,566	15,242,111	4,833,507	1,665,507
Amount.....	218,100,408	2,441,262	9,452,931	26,316,308	75,543,264	45,669,865	58,676,779

Footnotes at end of table.

Individual Income Tax Returns, Preliminary Data, 1997

Table 1.--Individual Income Tax Returns, Tax Year 1997 Preliminary Data: Selected Income and Tax Items, by Size of Adjusted Gross Income--Continued

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

Item	All returns	Size of adjusted gross income					
		Under \$15,000 ¹	\$15,000 under \$30,000	\$30,000 under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Interest paid deduction:							
Number of returns.....	30,683,207	880,709	3,300,860	7,488,142	13,541,290	4,105,793	1,366,414
Amount.....	243,179,413	5,064,709	18,140,455	45,136,999	99,343,657	45,428,966	30,064,628
Charitable contributions deduction:							
Number of returns.....	32,543,464	965,490	3,583,841	7,591,552	14,147,273	4,644,656	1,610,651
Amount.....	95,820,541	1,131,778	5,397,110	12,143,058	29,899,235	16,595,295	30,654,064
Taxable income:							
Number of returns.....	99,395,449	19,850,705	28,078,401	22,643,404	21,669,649	5,355,608	1,797,683
Amount.....	3,432,601,738	59,664,847	317,551,525	568,320,948	1,056,103,242	548,178,542	882,782,633
Income tax before credits:							
Number of returns.....	99,305,907	19,759,995	28,079,486	22,643,416	21,669,659	5,355,610	1,797,741
Amount.....	740,652,974	9,020,987	47,500,235	90,669,313	192,554,731	126,684,201	274,223,507
Total tax credits:⁴							
Number of returns.....	16,235,140	2,803,430	6,929,310	1,963,143	2,881,191	1,058,145	599,922
Amount.....	11,591,063	476,923	4,069,466	868,174	1,462,362	1,081,877	3,632,261
Child care credit:							
Number of returns.....	5,823,415	165,505	1,356,961	1,577,397	2,167,555	464,693	91,303
Amount.....	2,475,419	43,921	579,951	655,538	935,131	215,789	45,089
Credit for the elderly or disabled:							
Number of returns.....	192,560	146,911	45,649	--	--	--	--
Amount.....	41,819	32,752	9,067	--	--	--	--
Adoption credit:							
Number of returns.....	30,286	3,194	6,412	5,454	14,189	1,037	--
Amount.....	54,859	10	968	17,278	36,482	122	--
Foreign tax credit:							
Number of returns.....	2,329,539	230,656	201,910	307,479	595,773	533,527	460,194
Amount.....	3,650,471	11,452	37,544	93,776	243,291	627,778	2,636,630
General business credit:							
Number of returns.....	296,981	7,248	24,303	34,332	91,711	82,702	56,684
Amount.....	719,091	541	19,362	48,458	154,274	184,856	311,601
Minimum tax credit:							
Number of returns.....	110,042	589	1,879	5,059	28,522	25,680	48,313
Amount.....	618,349	313	644	2,975	33,010	44,142	537,265
Income tax after credits:							
Number of returns.....	93,493,709	17,913,022	24,150,033	22,625,021	21,655,510	5,353,591	1,796,533
Amount.....	729,061,910	8,544,063	43,430,769	89,801,139	191,092,369	125,602,324	270,591,246
Self-employment tax:							
Number of returns.....	13,370,219	3,715,974	2,591,737	2,430,254	2,884,985	1,126,808	620,462
Amount.....	28,563,757	3,328,594	4,131,516	4,737,457	7,678,809	4,744,075	3,943,307
Alternative minimum tax:							
Number of returns.....	590,649	21,907	1,505	13,391	123,905	189,440	240,500
Amount.....	3,508,934	69,146	2,946	13,952	279,044	602,282	2,541,564
Total earned income credit (EIC):							
Number of returns.....	19,490,211	12,386,684	7,103,527	--	--	--	--
Amount.....	30,635,793	21,165,204	9,470,589	--	--	--	--
EIC used to offset income tax before credits:							
Number of returns.....	8,435,216	2,310,992	6,124,224	--	--	--	--
Amount.....	3,788,127	386,325	3,401,802	--	--	--	--
EIC used to offset other taxes:							
Number of returns.....	3,034,468	2,244,478	789,990	--	--	--	--
Amount.....	2,220,331	1,602,880	617,450	--	--	--	--
Excess EIC, refundable portion:							
Number of returns.....	15,498,935	11,133,322	4,365,613	--	--	--	--
Amount.....	24,627,335	19,175,999	5,451,336	--	--	--	--
Total income tax:							
Number of returns.....	93,509,465	17,917,570	24,150,646	22,625,131	21,661,445	5,356,498	1,798,174
Amount.....	732,582,380	8,613,210	43,433,713	89,816,361	191,373,255	126,204,744	273,141,097
Total tax liability:							
Number of returns.....	95,620,585	19,533,563	24,604,051	22,652,958	21,673,761	5,357,774	1,798,478
Amount.....	762,354,215	10,561,266	47,224,536	94,984,344	200,178,935	131,664,476	277,740,657

¹ Includes returns with adjusted gross deficit.

² Included in data for Forms 1040, 1040A, and 1040EZ.

³ Not included in adjusted gross income.

⁴ Includes EIC used to offset income tax before credits.

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