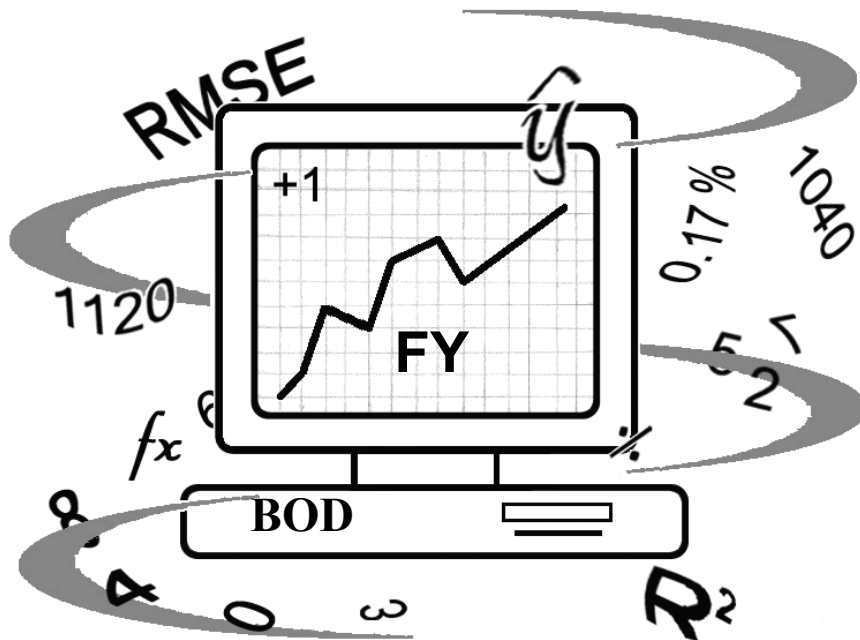

Document 6292

Fall 2009 Update

Fiscal Year Return Projections for the United States 2009 - 2016



*Office of Research
Research, Analysis, and Statistics*

Document 6292 (revised 9-2009) is produced by the IRS Office of Research, within the Research, Analysis, and Statistics organization.

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Questions or comments regarding these return forecasts or related matters can be directed to the corresponding staff member listed below.

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Forecasts Available Electronically

Forecasts from the most recent edition of this publication are also available on the IRS's web site. From the www.irs.gov website, select the "Tax Stats" link, then "Products and Publications", and then "Projections" (under the Publications heading). IRS employees can also access this projection product on the IRWeb intranet site by selecting the "Research" link, followed by "Research, Analysis and Statistics", then "Publications", and then "Projections and Forecasting documents."

Distribution

If you are an IRS employee and would like to receive a printed copy of this document on a continuing basis, please contact your local IMDDS coordinator and obtain the appropriate protocol for inclusion on the distribution list. All non-IRS customers, and IRS customers uncertain of their local IMDDS coordinator, can contact the Chief, Forecasting and Service Analysis on (202) 874-0607.

**Fiscal Year Return Projections for the United States:
2009 – 2016**

Document 6292
Fall 2009 Update

Suggested Citation

Internal Revenue Service
Research, Analysis and Statistics
Office of Research
Fiscal Year Return Projections for the United States:
2009 – 2016
Document 6292 (Rev. 9-2009)
Washington, DC 20224

Table of Contents
(Fall 2009)

Staff Directory	Inside Front Cover
Forecasts Available Electronically	Inside Front Cover
Overview	1
Data Sources and Projection Methodology	1
Summary of Significant Trends and Revisions	2
Track Record of Projection Accuracy	4
Comments and Questions	5
Table 1. <i>Fiscal Year Projections of the Number of Returns to be Filed with IRS</i>	6
Table 2. <i>Selected Fiscal Year Return Filing Estimates by Business Operating Division</i>	8
Table 3. <i>Accuracy Measures for U.S. Forecasts of Major Return Categories</i>	9
Table Notes	10
Other Projection Documents	Inside Back Cover

Overview

The following fall 2009 edition of IRS Document 6292 provides the most recent revisions to the U.S. level projections of tax returns to be filed for fiscal years (FY) 2009 through 2016 by the major return categories, including selected detail by IRS business operating divisions. Office of Research staff, within the IRS Research, Analysis, and Statistics organization prepare these projections semi-annually in order to incorporate changes in filing patterns, economic and demographic trends, legislative requirements, and IRS administrative processes. These forecasts provide a basis for IRS workload estimates and resource requirements contained in IRS budget submissions and other resource planning and analysis. The projections in this document are based on the information available as of early August 2009, including enacted tax law changes and confirmed administrative plans. Legislative or administrative initiatives under consideration are generally not used to adjust the projections due to the uncertain nature of their eventual outcome. As a result, the projections of electronically filed (e-file) returns contained in this publication are not goals, per se, and should not be interpreted as precluding an alternate e-file future.

Data Sources and Projection Methodology

The reported actual values of returns filed in FY 2008 are based on returns processed and recorded on the IRS master files. These values are mostly obtained by the same master file reporting systems as those used in the Internal Revenue Service Data Book (Publication 55B) for that processing year. In cases where master file return counts were not available, tallies of actual filings were supplied by program staff in the IRS operating divisions, generally from data capture systems located in the IRS processing campuses.

Depending on the properties and characteristics of each filing category, the forecasting methods were selected to capture and extrapolate historical filing trends in Document 6292. In general, the projections are computed for the calendar year of filing and converted to the corresponding fiscal year based on the historical quarterly filing experience. These results are the outcome of application of statistical models such as regression models, time series techniques, growth rates and historical ratio methods. The projection method used depends on the form type, the availability of historical data, and applicability of relevant economic and demographic forecasts. Primary principles used throughout the document are time series extrapolation methods such as trended exponential smoothing approaches. However, some return forecasts are based on regression models incorporating key economic and demographic input variables provided by Global Insight, Inc. Customers interested in obtaining more detail on forecasting methodologies are welcome to contact the respective staff member listed on the inside front cover.

Summary of Significant Trends and Revisions

A summary of the major trends and other significant factors embedded in the return forecasts for this edition of Document 6292 are noted below.

Trend in Grand Total Return Filings

As presented in Table 1, grand total return filings are expected to reach 238.5 million in fiscal year 2009, a decrease of about 5.1 percent over FY 2008 due to the Economic Stimulus Act of 2008. After FY 2011, grand total return filings are projected to grow at a more typical average annual rate of 1 percent, reaching 250 million by FY 2016. Within the steady increase in the grand total projection is a rather pronounced increase among selected e-file return volumes.

Detail by Business Operating Division

Table 2 presents estimates of selected return filings by IRS "Business Operating Divisions" (BODs). The selected returns include total individual income tax returns, corporation income tax returns, partnership returns, employment returns, excise returns, and exempt organization returns. As applicable, these volumes are broken out by their operating division components: "Wage and Investment" (W&I), "Small Business/Self Employed" (SB/SE), "Large and Mid-Sized Business" (LMSB) and "Tax Exempt/Government Entities" (TE/GE). Also included are the projected total filings of employee plans (EP) returns currently processed by the Department of Labor, which comprise major return filings by taxpayers served by the TE/GE operating division.

The "Economic Stimulus Act of 2008"

Under the "Economic Stimulus Act of 2008" the IRS issued rebate checks in calendar year 2008. Eligible taxpayers triggered rebates by filing a TY 2007 Form 1040 income tax return.

U.S. level Forms 1040, 1040A, and 1040EZ, including electronically filed (e-file) return volumes rose above the traditional baseline to roughly 153.8 million returns, partially due to the stimulus impact. The marginal impact on the number of total individual returns in 2008 was approximately 15 million returns. The projection for CY 2009 reflects residual spillover effects of the stimulus package

The American Recovery and Reinvestment Act of 2009

On February 17, 2009, the American Recovery and Reinvestment Act (ARRA) of 2009 was signed into law. The \$787 billion plan was more than five times the cost of the prior year's Economic Stimulus Act of 2008 and included various tax relief measures as well as new Federal spending. The consensus view reflected in the Global Insight macroeconomic forecasts used as inputs to our return filing forecasts is that the ARRA will only partially mitigate the impact of the economic downturn. Hence the forecast for

CY 2009 includes an adjustment to reflect the estimated net impact of the downturn and the Federal response, resulting in a slight marginal projected decrease in the number of Forms 1040, 1040-A, and 1040-EZ filed in the near term.

First-Time Homebuyer Credit

The American Recovery and Reinvestment Act (ARRA) of 2009 includes expanded benefits for first-time homebuyers. The Housing and Economic Recovery Act of 2008 established a tax credit worth up to \$7,500 to be repaid in the future. Under the ARRA, the credit amount, for homes purchased in 2009 before December 1, is \$8,000 and the credit does not have to be paid back as long as the home remains the taxpayer's primary residence for at least three years. Furthermore, first-time homebuyers can claim the credit on either a 2008 tax return or a 2009 tax return. If the home is purchased between April 16, 2009 and November 30, 2009, the taxpayer can still claim the credit on a 2008 tax return by requesting an extension of time to file (Form 4868) before the April 15th deadline or by filing an amended return (Form 1040-X). The projections in this document include adjustments to account for the anticipated additional volumes expected in 2009, as well as some spillover volumes in 2010.

Changes in Estate Tax

The estate tax and generation-skipping transfer (GST) taxes are scheduled to be repealed on January 1, 2010, under Title V of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA). However, the estate tax repeal, and all other provisions of EGTRRA, are scheduled to sunset on December 31, 2010. If the sunset provision is not repealed in 2011, estate tax law would return to the law in place prior to the enactment of EGTRRA on June 7, 2001. Accordingly, the estate tax exclusion amount would have risen to \$1 million under the prior law. The estimates developed in this document reflect the provisions of EGTRRA. Analysts using these data are advised to monitor legislation in this area.

Employee Plans Returns

The Form 5500 series are multi-agency Information Return filed to satisfy reporting requirements to Internal Revenue Service, Department of Labor (DOL), and Pension Benefit Guaranty Corporation. The Form 5500 series has been processed by the Department of Labor since calendar year 2000. However, the DOL is creating a system to support the electronic filing mandate for Form 5500 returns satisfying the reporting requirements under Title I of ERISA. Since some of the IRS data needed falls outside the scope of Title I, the IRS will regain responsibility for processing portions of the Form 5500 data in the future. In support of IRS Tax Exempt/Government Entities (TE/GE) Division's resource planning needs, this update of Document 6292 includes projected total Forms 5500 and 5500-EZ volumes (Table 2, Selected Fiscal Year Return Filing Estimates by Business Operating Division). Additional EP returns projections will be included in future documents.

The 2008 actual EP volume reflects a count of all returns posted to the Employee Plan Master File, including welfare benefit plan returns. However, the projected EP returns are based on historical data from the 208-18-10 Report and exclude welfare benefit plans. This provides a more accurate count of the number of Forms 5500 and 5500-EZ.

New Form 5500-SF

As a part of the revisions to Form 5500 series, Form 5500-SF, Short Form Annual Return/ Report of Employee Benefit Plan was introduced to certain small pension and welfare benefit plans. Form 5500-SF is generally available to plans that 1) have fewer than 100 participants, 2) are eligible for the small plan audit waiver, 3) hold no employer securities, 4) have 100% of assets in investments that have a readily determinable fair market value, and 5) are not multiemployer plans. Most Form 5500-SF filers will not be required to file any schedules. The Form 5500-SF must be filed electronically from plan year 2009.

Changes in Form 990 series

The IRS has revised the requirement to file Form 990 series starting from tax year 2008 over a three-year period. The filers will be allowed to file the Form 990-EZ in lieu of the Form 990. For the 2008 tax year (returns filed in 2009), organizations with gross receipts less than \$1.0 million and total assets less than \$2.5 million may file the Form 990-EZ. For the 2009 tax year (returns filed in 2010), organizations with gross receipts less than \$500,000 and total assets less than \$1.25 million may file the Form 990-EZ. The Form 990-EZ filing thresholds will be adjusted permanently to gross receipts less than \$200,000 and total assets less than \$500,000 beginning with 2010 tax years.

Track Record of Projection Accuracy

In an effort to measure the quality of our products and services, this section, along with Table 3, provides a brief analysis of the accuracy of prior projections. Using four years of actual data from 2005 through 2008, Table 3 presents the accuracy of our national level projections by major return categories. This analysis covers only the major return categories projected on a calendar year basis and serves as a general measure for gauging the overall reliability of our U.S. level return projections. The return categories considered in Table 3 consist of the following: Grand Total, Total Primary Returns, Individual (income tax) Total, Individual Estimated Tax, Fiduciary, Partnership, Corporation, Employment, Exempt Organization, and Excise. When there was sufficient data on prior forecasts, we also included selected breakouts of “paper” volumes versus “e-file/magnetic tape” filings.

The table presents two measures of projection accuracy; the mean absolute percent error (MAPE), and the number of over-projections. We also include the latest actual filing volumes for 2008 to provide perspective on the volume of returns being projected. The MAPE is computed as the average percent projection error regardless of whether they were over- or under- projections over the four most recently applicable projection

cycles. The associated number of over-projections can show whether we consistently over- or under- project. A value of two indicates balanced forecasts over the four cycles. The table groups these two measures by time horizon. The time horizon is determined by when the forecast was made and for what future year. For example, a forecast for 2003 made in 2000 would be part of the “3-years-ahead” time horizon. The table presents time horizons from one to five years ahead and factors in the most current four observations. As an example, for the “3-years-ahead” information, we use the forecasts made in 2002 for 2005, those made in 2003 for 2006, those made in 2004 for 2007, and those made in 2005 for 2008.

Comments and Questions

We thank our customers for their support as we continually seek to improve our products and service wherever possible. We welcome customer feedback at any time. Comments and suggestions regarding this document can be directed to John Guyton, Chief, Forecasting and Service Analysis Group at (202) 874-0607. Questions concerning methodologies and specific tax returns listed in this document may also be directed to the projections staff listed on the inside front cover. This and other projections documents are also available electronically, as noted on the inside front cover.



Janice M. Hedemann
Director, Office of Research

Table 1. Fiscal Year Projections of the Number of Returns to be Filed with IRS

Type of Return	Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Grand Total	251,475,273	238,543,000	234,975,100	235,851,500	238,588,200	241,885,900	244,941,600	247,579,800	250,051,100	
Paper Grand Total	149,695,837	129,421,500	121,516,900	117,790,100	115,552,300	114,377,500	113,586,700	112,849,800	112,223,600	
Electronic Grand Total	101,779,436	109,121,500	113,458,200	118,061,400	123,035,900	127,508,500	131,354,900	134,730,000	137,827,500	
Total Primary Returns	230,637,287	216,491,800	212,384,300	212,792,100	214,986,000	217,742,400	220,250,900	222,319,900	224,227,900	
Individual Income Tax, Total	154,175,694	142,380,400	138,680,200	139,102,500	140,838,100	143,089,900	145,154,600	146,810,500	148,367,900	
Forms 1040, 1040-A, and 1040-EZ, Total *	163,298,793	141,432,800	137,894,800	138,085,100	139,798,600	142,008,400	144,041,000	145,664,800	147,190,100	
Paper Forms 1040/1040-A/1040-EZ	63,771,583	46,944,000	40,296,300	37,077,700	34,694,600	33,068,200	31,913,500	30,760,300	29,752,600	
Electronic Individual Returns	89,527,210	94,488,900	97,592,900	101,007,400	105,199,000	108,920,200	112,127,500	114,904,500	117,437,500	
Forms 1040-NR/NR-EZ/C	646,603	689,100	720,100	746,100	772,100	798,200	824,200	850,300	876,300	
Forms 1040-PR and 1040-SS	230,298	258,500	265,300	271,300	277,300	283,300	289,400	295,400	301,400	
Individual Estimated Tax, Form 1040-ES, Total	28,781,817	25,960,400	24,969,300	24,478,700	24,360,100	24,291,500	24,200,200	24,094,800	23,970,500	
Paper Form 1040-ES	28,684,986	25,862,900	24,871,000	24,376,400	24,254,500	24,174,600	24,076,200	23,963,800	23,822,700	
Electronic (Credit Card) Form 1040-ES	96,821	97,500	98,300	102,300	109,600	116,900	124,000	131,000	137,800	
Fiduciary, Form 1041, Total	3,074,537	3,123,700	3,133,100	3,143,100	3,153,200	3,163,200	3,173,300	3,183,300	3,193,300	
Paper Form 1041	2,321,151	2,353,500	2,350,100	2,347,500	2,344,800	2,342,100	2,339,400	2,336,700	2,334,000	
Electronic Form 1041	753,386	770,200	783,000	795,700	808,400	821,100	833,900	846,600	859,300	
Fiduciary Estimated Tax, Form 1041-ES	921,916	953,700	962,500	969,100	975,600	982,100	988,700	995,200	1,001,700	
Partnership, Forms 1065/1065-B, Total	3,307,344	3,421,900	3,709,200	3,937,900	4,106,700	4,267,400	4,427,900	4,588,300	4,716,400	
Paper Forms 1065/1065-B	2,649,968	2,507,100	2,598,100	2,670,100	2,725,400	2,797,800	2,884,200	2,978,600	3,057,000	
Electronic Forms 1065/1065-B	657,376	914,800	1,111,000	1,267,800	1,381,200	1,469,600	1,543,700	1,609,700	1,659,400	
Corporation Income Tax, Total	6,937,115	6,989,400	7,003,800	7,121,000	7,300,800	7,498,200	7,686,200	7,860,500	8,023,400	
Paper Corporation Returns, Total	5,698,222	5,292,400	4,956,800	4,737,300	4,641,700	4,630,100	4,666,400	4,727,900	4,797,300	
Electronic Corporation Returns, Total	1,238,893	2,047,000	2,047,000	2,047,000	2,659,200	2,868,100	3,019,800	3,132,600	3,226,100	
Forms 1120 and 1120-A, Total	2,211,518	2,176,000	2,152,700	2,139,500	2,131,700	2,124,200	2,117,000	2,109,800	2,102,700	
Electronic Form 1120	319,160	430,000	543,700	643,800	716,100	761,100	786,000	798,400	808,500	
Form 1120-C **	4,331	7,300	10,300	13,100	15,700	18,100	20,300	22,400	24,300	
Form 1120-F	32,025	32,800	32,400	32,500	32,900	33,500	34,100	34,700	35,300	
Electronic Form 1120-F	175	600	1,600	3,000	4,300	5,800	7,500	9,000	10,000	
Form 1120-H	223,603	230,400	227,300	228,100	231,900	237,200	243,400	250,200	257,700	
Forms 1120-FSCLND/PC/REIT/RIC/ISF	25,637	27,300	27,500	27,500	27,700	28,100	28,600	29,000	29,500	
Form 1120-S	4,440,001	4,495,600	4,553,600	4,660,300	4,860,900	5,057,000	5,242,800	5,414,300	5,573,900	
Electronic Form 1120-S	919,558	1,246,300	1,501,700	1,736,900	1,938,800	2,101,200	2,226,300	2,325,300	2,407,600	
Small Corporation Election, Form 2553	501,212	467,500	446,800	428,400	412,100	397,800	385,400	374,700	365,900	
"REMIC" Income Tax, Form 1066	34,787	30,100	32,800	36,800	40,400	43,700	46,600	49,200	51,600	
Estate, Forms 706, 706-NA/GS(D)/GS(T), Total	46,251	45,100	29,700	14,100	63,000	100,800	111,600	117,600	123,300	
Gift, Form 709	252,286	255,600	262,600	267,200	269,500	271,800	274,200	276,600	279,100	
Employment Tax, Total	30,649,460	30,550,300	30,778,300	30,955,800	31,114,400	31,258,700	31,395,800	31,536,000	31,674,600	
Paper Employment Returns, Total	24,353,357	23,701,800	23,687,400	23,739,600	23,794,600	23,826,700	23,870,600	23,923,400	23,980,800	
Electronic Employment Returns, Total	6,296,103	6,848,500	7,090,900	7,216,200	7,329,800	7,432,000	7,525,200	7,612,700	7,693,700	
Forms 940, 940-EZ and 940-PR, Total	6,199,449	6,075,000	6,101,500	6,179,600	6,238,100	6,288,700	6,331,700	6,375,700	6,420,500	
Paper Forms 940, 940-EZ and 940-PR	5,018,081	4,801,600	4,776,400	4,794,600	4,799,900	4,801,500	4,800,000	4,801,900	4,802,500	
Form 940 E-File/On-line/XML	1,181,368	1,273,400	1,325,100	1,385,000	1,438,200	1,487,100	1,531,700	1,573,800	1,613,500	
Forms 941, 941-PR and 941-SS, Total	23,637,371	23,737,700	23,858,400	23,929,000	24,007,500	24,084,600	24,166,700	24,254,700	24,343,200	
Paper Forms 941, 941-PR/SS, Total	18,534,602	18,178,000	18,112,400	18,119,400	18,139,500	18,164,800	18,199,100	18,242,500	18,290,100	
Form 941 E-File/On-line/XML	5,102,769	5,599,700	5,746,000	5,809,600	5,867,900	5,919,800	6,012,200	6,038,100	6,093,100	
Forms 943, 943-PR and 943-SS	249,298	231,800	228,600	225,800	223,200	220,700	218,500	216,400	214,500	
Forms 944, 944-PR and 944-SS	430,822	391,100	482,400	517,900	544,700	566,100	582,800	595,800	605,700	
Paper Forms 944, 944-PR and 944-SS	418,856	375,600	462,500	496,200	521,000	541,000	556,900	569,100	578,600	
Electronic Form 944	11,966	15,500	19,800	21,600	23,700	25,100	26,000	26,700	27,100	
Form 945	130,574	112,800	105,600	101,700	99,000	96,700	94,200	91,500	88,600	
Form CT-1	1,946	1,900	1,800	1,900	1,900	1,900	1,900	1,900	1,900	

Notes:
 * Forms 1040, 1040-A and 1040-EZ Total includes the marginal effects of the 2008 Economic Stimulus Package.
 ** Form 1120-C includes Form 990-C.
 Table does not contain Non-Master File counts.
 See Table Notes page for definitions of "Type of Return."
 Detail may not add to subtotal/total due to rounding.
 Table continues on the next page.

Office of Research, Forecasting and Service Analysis
 Internal Revenue Service
 Fall 2009 Document 6292

Table 1 (continued). Fiscal Year Projections of the Number of Returns to be Filed with IRS

Type of Return	Projected									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Withholding on Foreign Persons, Form 1042	33,434	34,200	35,500	35,600	36,200	36,800	37,600	38,400	39,200	
Exempt Organizations, Total	1,062,491	1,191,500	1,221,200	1,177,800	1,182,100	1,205,200	1,226,600	1,246,500	1,265,300	
Paper Exempt Organizations, Total	837,441	856,800	842,800	856,800	737,800	758,600	748,100	752,100	765,500	
Electronic Exempt Organizations, Total	225,050	334,700	378,400	419,200	444,300	461,800	478,400	494,300	509,800	
Form 990, Total	411,287	397,600	396,500	405,900	415,300	424,700	434,100	443,500	452,900	
Electronic Form 990	15,892	57,500	71,200	107,700	126,500	137,700	148,300	158,900	169,600	
Form 990-EZ	165,266	217,600	234,600	189,900	154,600	159,600	163,600	168,000	172,400	
Electronic Form 990-EZ	9,574	31,000	31,500	31,000	29,600	31,000	33,100	35,200	37,100	
Form 990-N*	164,052	211,000	241,600	261,800	265,800	268,500	270,400	271,700	272,500	
Form 990-PF, Total	94,154	98,200	100,800	103,800	106,800	109,800	112,800	115,700	118,700	
Electronic Form 990-PF	5,542	8,600	13,800	18,800	24,300	24,500	26,800	28,600	30,600	
Form 990-T	102,576	96,600	98,700	101,600	104,600	107,600	110,500	113,500	116,500	
Form 4720	2,366	2,500	2,600	2,700	2,800	2,800	2,900	2,900	2,900	
Form 5227	122,810	131,400	132,100	132,100	132,200	132,200	132,300	132,300	132,400	
Form 1041-A	22,926	23,400	23,500	23,500	23,500	23,600	23,600	23,700	23,700	
Government Entity/Bonds	47,827	47,900	48,900	49,100	48,800	48,900	49,000	49,200	49,300	
Form 8038	4,624	4,700	4,800	4,800	4,800	4,800	4,800	4,800	4,800	
Form 8038-G	29,743	29,000	28,900	28,900	28,900	28,900	28,900	28,900	28,900	
Form 8038-GC	11,498	12,000	12,900	12,900	12,500	12,400	12,400	12,400	12,400	
Form 8038-T	1,731	1,900	2,100	2,200	2,300	2,500	2,600	2,700	2,900	
Form 8328	231	300	300	300	300	300	300	300	300	
Political Organizations, Total	10,464	10,600	11,200	10,700	11,300	10,700	11,300	10,800	11,400	
Form 1120-POL, Total	6,169	6,300	6,300	6,300	6,300	6,400	6,400	6,400	6,400	
Electronic Form 1120-POL	9	0	0	100	100	100	100	100	100	
Form 8871**	1,843	1,400	1,800	1,400	1,800	1,400	1,800	1,400	1,800	
Form 8872, Total	2,452	2,900	3,200	2,900	3,200	2,900	3,200	2,900	3,200	
Electronic Form 8872	1,849	2,100	2,400	2,100	2,400	2,100	2,400	2,100	2,400	
Excise, Total	909,536	958,800	968,000	972,900	978,000	983,500	989,300	995,500	1,001,900	
Form 11-C	8,087	8,400	8,200	7,900	7,800	7,600	7,500	7,400	7,300	
Form 720	99,720	98,300	96,800	95,000	93,100	91,100	89,100	87,100	85,100	
Electronic Form 720	14	100	300	600	1,000	1,500	2,200	2,900	3,900	
Form 730	38,959	41,100	40,800	40,200	39,700	39,100	38,600	37,500	37,000	
Form 2290	694,488	747,600	763,300	774,800	786,200	797,700	809,100	820,500	832,000	
Electronic Form 2290	13,341	28,400	38,200	51,700	75,200	105,100	147,400	196,100	246,700	
Form 8849	68,282	63,300	58,900	54,900	51,300	48,000	45,100	42,500	40,100	
Electronic Form 8849	40	200	600	1,100	1,900	3,200	4,500	6,300	8,100	
Excise Taxes re Employee Plans, Form 5330	23,962	24,400	24,800	25,200	25,600	26,000	26,500	26,900	27,300	
Payment or Refund under Sec. 7519, Form 8752	44,228	42,900	42,800	42,700	42,600	42,400	42,300	42,200	42,000	
Supplemental Documents, Total	20,637,986	22,051,100	22,590,900	23,059,500	23,602,200	24,143,500	24,690,800	25,259,900	25,823,300	
Form 1040-X	4,638,439	5,044,000	4,974,600	5,055,000	5,207,600	5,355,200	5,493,100	5,637,400	5,770,600	
Form 4868, Total	9,661,195	10,326,000	10,882,600	11,217,900	11,524,600	11,819,700	12,119,800	12,429,600	12,741,500	
Electronic Form 4868	1,763,913	2,328,100	2,612,500	2,753,600	2,891,100	3,029,000	3,171,300	3,319,500	3,471,600	
Form 1120-X	3,558	3,700	4,000	4,400	4,800	5,100	5,500	5,800	6,000	
Form 5558	436,548	455,300	460,900	465,900	470,900	475,900	480,700	485,500	490,200	
Form 7004, Total	5,366,384	5,658,600	5,677,200	5,727,300	5,801,700	5,890,800	5,988,800	6,092,300	6,195,000	
Electronic Form 7004	1,134,539	1,560,000	1,803,400	1,948,000	2,046,700	2,127,900	2,204,500	2,282,000	2,360,700	
Form 8868, Total	531,862	563,500	591,600	588,900	592,600	596,900	602,900	609,400	616,000	
Electronic Form 8868	49,098	69,700	92,400	111,600	131,300	151,700	172,800	194,500	216,700	

Internal Revenue Service
Office of Research, Forecasting and Service Analysis
Fall 2009 Document 6292

Notes:
* Form 990-N is all electronic.
** Form 8871 is all electronic.
Table does not contain Non-Master File counts.
See Table Notes page for definitions of "Type of Return."
Detail may not add to subtotal/total due to rounding.

Table 2. Selected Fiscal Year Return Filing Estimates by Business Operating Division (BOD)

Type of Return/BOD	Actual - FY 2008	Projected							
		2009	2010	2011	2012	2013	2014	2015	2016
Individual Income Tax, Total	153,298,793	141,432,800	137,694,800	138,085,100	139,788,600	142,008,400	144,041,000	145,664,800	147,190,100
Small Business/Self Employed	43,965,734	42,457,000	42,654,500	43,018,900	43,824,900	44,790,000	45,695,500	46,464,500	47,188,600
Wage and Investment	109,333,059	98,975,800	95,040,300	95,066,200	95,963,700	97,218,400	98,345,500	99,200,300	100,001,500
Corporation Income Tax, Total	6,937,115	6,969,400	7,003,800	7,121,000	7,300,800	7,498,200	7,686,200	7,860,500	8,023,400
Small Business/Self Employed	6,817,239	6,845,900	6,877,100	6,990,700	7,166,200	7,359,100	7,542,900	7,713,300	7,872,600
Large and Mid-Sized Business	109,239	112,700	115,800	119,300	123,500	127,800	131,800	135,500	139,000
Tax Exempt/Government Entities	10,637	10,800	10,900	11,000	11,100	11,300	11,400	11,600	11,700
Partnership Returns	3,307,344	3,421,900	3,709,200	3,937,900	4,106,700	4,267,400	4,427,900	4,588,300	4,716,400
Small Business/Self Employed	3,182,465	3,282,700	3,554,900	3,768,500	3,922,000	4,067,600	4,213,000	4,358,200	4,471,200
Large and Mid-Sized Business	124,521	138,800	153,900	169,100	184,200	199,300	214,500	229,600	244,700
Tax Exempt/Government Entities	358	400	400	400	400	500	500	500	500
Employment Tax, Total	30,649,460	30,550,300	30,778,300	30,955,800	31,114,400	31,258,700	31,395,800	31,536,000	31,674,600
Small Business/Self Employed	28,037,316	27,940,700	28,148,900	28,314,200	28,461,100	28,594,500	28,721,000	28,850,300	28,978,300
Large and Mid-Sized Business	667,128	664,300	666,600	669,400	672,100	674,600	677,000	679,500	682,100
Tax Exempt/Government Entities	1,945,016	1,945,300	1,962,700	1,972,200	1,981,300	1,989,700	1,997,900	2,006,200	2,014,200
Excise, Total	909,536	958,800	968,000	972,900	978,000	983,500	989,300	995,500	1,001,900
Small Business/Self Employed	784,979	833,900	845,700	853,300	861,000	868,900	876,900	885,100	893,400
Large and Mid-Sized Business	71,066	71,700	70,900	69,900	69,000	68,100	67,300	66,600	65,900
Tax Exempt/Government Entities	53,492	53,200	51,400	49,700	48,000	46,500	45,100	43,800	42,600
Exempt Organization, Total	1,062,491	1,191,500	1,221,200	1,177,800	1,182,100	1,205,200	1,226,600	1,246,500	1,265,300
Tax Exempt/Government Entities	1,062,491	1,191,500	1,221,200	1,177,800	1,182,100	1,205,200	1,226,600	1,246,500	1,265,300
Employee Plans, Forms 5500 and 5500-EZ	981,160	984,000	986,900	989,800	992,600	995,500	998,400	1,001,200	1,004,100
Tax Exempt/Government Entities	981,160	984,000	986,900	989,800	992,600	995,500	998,400	1,001,200	1,004,100

Notes:
 Projections of Employee Plans returns are based on the 208-18-01 Report; the 2008 count reflects postings to the Employee Plans Master File.
 Detail may not add to total due to rounding.

Internal Revenue Service
 Office of Research, Forecasting and Service Analysis
 Fall 2009 Document 6292

Table 3. Accuracy Measures for U.S. Forecasts of Major Return Categories
Mean Absolute Percent Error (MAPE) and Number of Overprojections
for the Four (4) Most Recent Projection Cycles

Item	Calendar Year 2008 Actual * (thousands)	Projection Error on Forecasts for:				
		1 Year Ahead N=4	2 Years Ahead N=4	3 Years Ahead N=4	4 Years Ahead N=4	5 Years Ahead N=4
Grand Total - Selected Returns *	252,270					
MAPE		0.51%	2.20%	3.57%	4.77%	6.13%
Number of Overprojections		1	2	2	3	3
Grand Total - Paper	152,822					
MAPE		0.96%	2.89%	5.25%	9.11%	12.01%
Number of Overprojections		1	1	2	3	3
Grand Total - E-file/ Mag Tape	99,448					
MAPE		1.03%	2.78%	1.17%	5.43%	6.47%
Number of Overprojections		1	2	2	1	0
Total Primary - Selected Returns *	231,461					
MAPE		0.68%	2.19%	3.62%	4.65%	6.47%
Number of Overprojections		1	1	2	2	3
Primary Total - Paper	133,796					
MAPE		1.51%	2.54%	5.36%	9.81%	11.04%
Number of Overprojections		1	1	2	2	3
Primary Total - E-file/ Mag Tape	97,665					
MAPE		0.92%	2.28%	2.17%	4.96%	6.57%
Number of Overprojections		1	1	2	1	1
Individual Total	154,709					
MAPE		0.60%	3.35%	4.05%	4.65%	4.98%
Number of Overprojections		0	1	2	2	3
Individual Total - Paper	64,059					
MAPE		1.38%	7.37%	8.36%	13.36%	16.58%
Number of Overprojections		2	1	2	3	3
Individual Total - E-file	89,773					
MAPE		0.93%	2.29%	1.96%	6.14%	7.45%
Number of Overprojections		1	2	1	0	0
Individual Estimated Tax	29,218					
MAPE		2.63%	5.28%	9.30%	16.41%	29.46%
Number of Overprojections		2	2	3	4	4
Fiduciary Total	3,111					
MAPE		2.33%	7.01%	11.39%	13.41%	14.39%
Number of Overprojections		4	4	4	4	4
Partnership Total	3,349					
MAPE		1.70%	4.30%	7.35%	9.81%	11.61%
Number of Overprojections		1	0	0	0	1
Corporation Total	6,860					
MAPE		2.01%	1.86%	1.32%	2.31%	5.09%
Number of Overprojections		1	2	1	0	1
Employment Total	30,062					
MAPE		2.98%	3.35%	3.36%	3.25%	2.10%
Number of Overprojections		2	2	1	2	1
Exempt Organization Total	918					
MAPE		2.56%	4.17%	1.69%	3.27%	7.27%
Number of Overprojections		2	2	2	3	2
Excise Total	935					
MAPE		4.07%	3.60%	4.39%	5.03%	7.54%
Number of Overprojections		2	2	1	1	2

* Some actuals shown in this table differ from official counts reported elsewhere because they exclude certain return series only recently projected and whose accuracy can not yet be evaluated.

Table Notes

- Projected volumes are rounded to the nearest hundredth, therefore counts of 49 or fewer are rounded to zero. However, some forms can report zero filings because they are associated with only selected areas, or because their filing options were just established or recently eliminated.
- Actual and forecasted return counts for the major categories are based on IRS master file processing, as recorded in the electronic versions of the “Report of Returns Posted to the IRS Master Files.”

Notes below are grouped by applicable table.

Table 1:

- “Grand Total” is the sum of “Total Primary Returns” and “Supplemental Documents.” The “Total Primary Returns” category is the sum of all forms shown on the tables, excluding “Supplemental Documents.”
- “Individual Income Tax, Total” is the sum of paper and electronic Forms 1040, 1040-A, 1040-EZ, 1040-NR, 1040-NR-EZ, 1040-PR 1040-SS and 1040-C.
- “Forms 1040, 1040-A, and 1040-EZ” is the sum of paper and electronic Forms 1040, 1040-A, and 1040-EZ.
- Form 1040-EZ-T is excluded from the forecasts. See the above table notes for discussion of 1040-EZ-T return volumes.
- The “Forms 1040, 1040-A, and 1040-EZ” line item includes the additional Form 1040 filings due primarily to the “Economic Stimulus Act of 2008.”
- Various return categories, such as Form 1040-ES (Individual Estimated Tax) and other business and individual returns, include line items to account for alternative methods of tax filing. The “paper only” components can be derived by subtracting the electronic counts from their respective return totals.
- “Fiduciary, Form 1041” includes both paper and electronic Form 1041.
- “Fiduciary Estimated Tax, Form 1041-ES” is the Estimated Income Tax for Estate and Trust.
- “Partnership, Forms 1065/1065-B” includes both paper and electronic Forms 1065 and 1065-B.
- “Corporation Income Tax, Total” includes Forms 1120/1120-A (paper and electronic), 1120-F (paper and electronic), 1120-H, 1120-L, 1120-ND, 1120-PC, 1120-SF, 1120-

FSC, 1120-REIT, 1120-RIC, and 1120-S (paper and electronic). As a result of the Foreign Sales Corporation (FSC) Repeal and Extraterritorial Income Act of 2000 which repeals provisions in the U.S. Internal Revenue Code relating to taxation of foreign sales corporations, the volume of Forms 1120-FSC is declining with no returns expected after 2008. Also, Form 1120-POL volumes are reported separately under the forms for "Political Organizations." Form 1120-IC-DISC is not included in these corporation projections.

- "Form 1120-C" is the U.S. Income Tax Return for Cooperative Associations. This form replaced Form 990-C starting from CY 2007.
- "Form 2553" is the Election (to file Form 1120-S) by a Small Business Corporation.
- "Form 1066" is the U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return.
- "Estate" includes Forms 706, 706-NA, 706-GS(D), and 706-GS(T).
- "Gift, Form 709" is the United States Gift (and Generation-Skipping Transfer) Tax Return.
- "Employment Tax, Total" includes paper, magnetic tape and electronic Forms 940, 940-EZ, 940-PR, 941, 941-PR, 941-SS, 943, 943-PR, 943-SS, 944, 944-PR, 944-SS, 945 and CT-1. CT-2 is excluded since the return counts are only available on Non-Master File.
- "Form 1042" is the Annual Withholding Tax Return for U.S. Source Income of Foreign Persons. This form is assigned to the International area. It is sometimes considered an employment tax return, but listed separately here.
- "Exempt Organization, Total" includes Forms 990 (paper and electronic), 990-EZ (paper and electronic), 990-N (only available electronically starting from CY2008), 990-PF (paper and electronic), 990-T, 4720, and 5227.
- "Form 1041-A" is the U.S. Information Return Trust Accumulation of Charitable Amounts Return.
- "Government Entities /Bonds" includes Forms 8038, 8038-G, 8038-GC, 8038-T and 8328.
- "Political Organizations" includes both paper and electronic Forms 1120-POL, 8871 and 8872.
- "Excise, Total" includes Forms 11-C, 730, paper and electronic Forms 720, and 2290.
- "Form 5330" is the Return of Excise Taxes Related to Employee Benefit Plans.

- “Form 8752” is the Required Payment or Refund Under Section 7519.
- “Supplemental Documents” consist mainly of applications for extensions of time to file and amended tax returns, which include Forms 1040-X, 4868 (both paper and electronic), 1120-X, 5558, 7004 (both paper and electronic), and 8868 (both paper and electronic).

Table 2:

Individual filers classified as “Small Business/Self Employed” reflect those taxpayers filing a Form 1040 return with a Schedule C, Schedule F, Schedule E and/or Form 2106 attached, or with mailing addresses or forms considered “International”. All other individual filers are classified as “Wage and Investment.”

In general, corporation filers (Form 1120 series returns including Form 1120-S) and partnership filers are classified as “Large and Mid-Sized Business” if their reported total assets are \$10 million or more. Corporation and partnership returns with assets below \$10 million are generally classified as “Small Business/Self Employed.” However, there are also some partnership and corporation returns classified as part of the “Tax Exempt/Government Entities” operating division.

Non-profit organizations, pension plan filers, tribal authorities, and governmental units comprise the “Tax Exempt/Government Entities” classification.

“Employee Plans” returns include paper and electronic Forms 5500, 5500-EZ and 5500-SF (starting from CY2010) counts by operating division in this table are based primarily upon the IRS master file “BOD indicator.” This indicator is a single, point-in-time, taxpayer level identifier (in contrast to a return-by-return identifier).

Other Projection Documents

<u>Title</u>	<u>IRS Document Number</u>	<u>Typical Updates</u>
<i>Calendar Year Return Projections for the United States and IRS Campuses</i>	6186	Fall
<i>Calendar Year Projections of Individual Returns by Major Processing Categories</i>	6187	Spring Fall
<i>Calendar Year Projections of Information and Withholding Documents for the United States And IRS Campuses</i>	6961	Summer
<i>Calendar Year Return Projections by State</i>	6149	Winter

These documents are available electronically as noted inside the front cover.

These documents may also be requested

(1) by phone at (202) 874-0607,

(2) by fax at (202) 874-0660, or

(3) by writing to the following address

**Internal Revenue Service
Office of Research RAS:R
Attn: Chief, Forecasting and Service Analysis
1111 Constitution Avenue, NW, NCA-7111
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Department of the Treasury
Internal Revenue Service

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Document 6292 (09-2009)
Catalog Number 45056C
