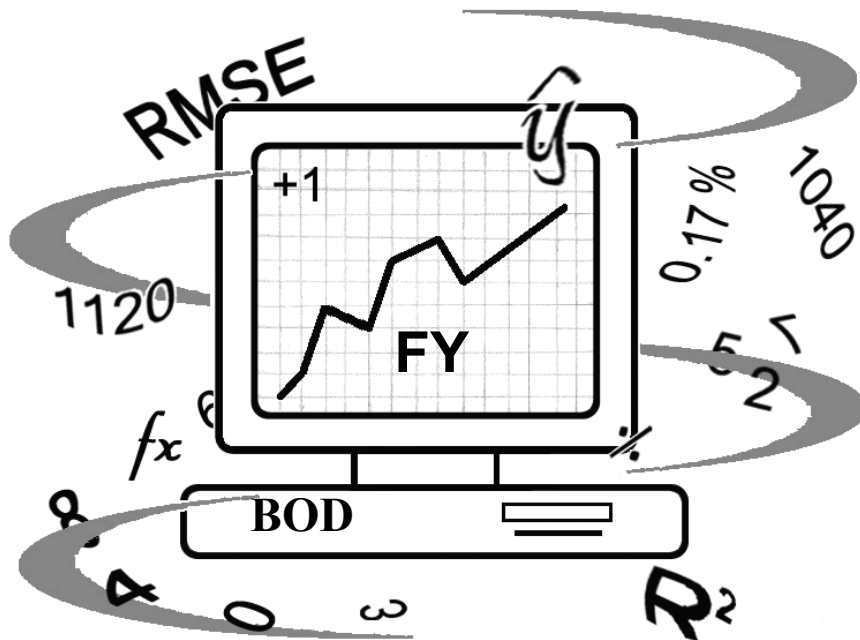

Document 6292

Fall 2010 Update

Fiscal Year Return Projections for the United States 2010 - 2017



Office of Research
Research, Analysis, and Statistics

Document 6292 (revised 9-2010) 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 Products 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 Data Analysis on (202) 874-0831.

**Fiscal Year Return Projections for the United States:
2010 – 2017**

Document 6292
Fall 2010 Update

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(Fall 2010)

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Overview

The following Fall 2010 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) 2010 through 2017 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 2010, 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 2009 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 were 237.2 million in fiscal year 2009, a decrease of 5.4 percent over FY 2008. After FY 2009, grand total return filings are projected to grow at a more typical average annual rate of 0.8 percent, reaching 252 million by FY 2017. 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 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 consensus view of the impact of the ARRA is reflected in the Global Insight macroeconomic forecasts, which are used as inputs to our return filing forecasts. Hence, the forecast for FY 2010 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, 1040A, 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 April 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 2010.

E-file Mandates

E-file mandates on tax return preparers expanded under the Worker, Homeowner, and Business Assistance Act, which was signed into law in November 2009. The act requires preparers who expect to file more than ten individual tax returns (including forms 1040, 1040A, 1040EZ, and 1041) to file them electronically beginning in CY 2011. Adjustments have been made to forecasts for these forms in this edition of Document 6292 to account for the impact of this mandate.

Changes in Estate Tax

The estate tax and generation-skipping transfer (GST) taxes were 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.

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. Some 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.

New Forms 8038-B, 8038-CP, and 8038-TC

The American Recovery and Reinvestment Act (ARRA) of 2009 includes provisions for Build America Bonds (BABs) to be issued in 2009 and 2010. These bonds allow state and local governments to issue taxable bonds for capital projects and to receive a new direct federal subsidy payment from the Treasury Department for a portion of their borrowing costs. The new form 8038-B, Information Return for Build America Bonds and Recovery Zone Economic Development Bonds, must be filed by issuers of qualified BABs beginning on January 1, 2010. Issuers then file the new form 8038-CP, Credit for Qualified Bonds Allowed to Issuer, to claim the federal subsidy at each interest payment date. This edition of Document 6292 also includes projections for new form 8038-TC, Information Return for Tax Credit Bonds and Specified Tax Credit Bonds, to be filed by issuers of all tax credit bonds.

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 2006 through 2009, 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 2009 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 2001 for 2004, those made in 2002 for 2005, those made in 2003 for 2006, and those made in 2004 for 2007.

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 Michael Sebastiani, Chief, Forecasting and Data Analysis Group at (202) 874-0831. 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.

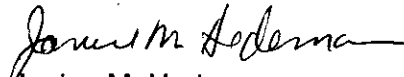

Janice M. Hedemann
Director, Office of Research

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

Type of Return	Actual - FY										2017
	2009	2010	2011	2012	2013	2014	2015	2016	2017		
Grand Total	237,223,387	235,016,800	236,281,600	239,237,000	242,419,500	245,173,500	247,439,300	249,576,400	251,950,400		
Paper Grand Total	127,354,417	120,692,100	112,450,500	110,941,300	110,546,100	110,250,600	109,665,500	108,979,300	108,476,900		
Electronic Grand Total	109,868,970	114,324,700	123,831,100	128,295,700	131,873,400	134,922,800	137,773,800	140,597,100	143,473,500		
Total Primary Returns	215,510,305	213,078,600	214,082,600	216,688,100	219,469,400	221,837,000	223,751,800	225,540,600	227,544,200		
Individual Income Tax, Total	143,934,147	141,432,200	142,073,100	143,832,400	146,046,500	148,114,800	149,821,200	151,399,200	153,239,700		
Forms 1040, 1040-A, and 1040-EZ, Total	142,983,431	140,477,900	141,089,900	142,848,500	145,062,600	147,131,000	148,837,400	150,415,000	152,064,500		
Paper Forms 1040/1040-A/1040-EZ	47,852,805	42,427,600	34,999,000	33,372,000	32,874,400	32,608,800	32,088,900	31,448,600	31,022,300		
Electronic Forms 1040/1040-A/1040-EZ	95,130,626	98,050,300	106,080,900	109,460,500	112,192,200	114,427,000	116,641,200	118,967,300	121,042,200		
Forms 1040-NR/NR-EZ/C	707,487	715,100	738,100	763,600	789,800	815,900	841,900	867,900	893,900		
Forms 1040-PR and 1040-SS	243,229	239,200	245,100	251,200	257,200	263,200	269,300	275,300	281,300		
Electronic Forms 1040-NR/NR-EZ/C/PR/SS	94,442	94,500	96,000	97,500	99,000	100,400	101,900	103,300	104,700		
Individual Estimated Tax, Form 1040-ES, Total	24,196,680	25,084,600	24,923,300	25,239,500	25,342,000	25,201,500	24,971,900	24,755,900	24,489,000		
Paper Form 1040-ES	24,113,996	24,998,100	24,833,000	25,141,600	25,236,200	25,087,700	24,890,200	24,626,400	24,351,500		
Electronic (Credit Card) Form 1040-ES	82,684	86,600	90,300	97,900	105,800	113,800	121,700	129,600	137,500		
Fiduciary, Form 1041, Total	3,142,712	3,065,300	3,065,300	3,075,700	3,086,100	3,086,500	3,107,000	3,117,500	3,128,000		
Paper Form 1041	2,349,127	2,208,500	1,948,500	1,868,000	1,818,200	1,764,800	1,708,300	1,651,000	1,595,700		
Electronic Form 1041	793,585	852,400	1,116,900	1,207,700	1,267,900	1,331,700	1,398,600	1,466,500	1,532,300		
Fiduciary Estimated Tax, Form 1041-ES	542,352	424,300	644,800	698,800	709,100	717,100	728,800	760,100	787,800		
Partnership, Forms 1065/1065-B, Total	3,564,630	3,564,800	3,760,400	3,928,600	4,089,300	4,249,800	4,410,300	4,537,900	4,666,300		
Paper Forms 1065/1065-B	2,502,301	2,323,300	2,360,600	2,405,000	2,462,500	2,537,700	2,627,000	2,703,700	2,783,100		
Electronic Forms 1065/1065-B	1,062,329	1,241,500	1,399,800	1,523,600	1,626,800	1,712,100	1,783,200	1,834,200	1,883,200		
Corporation Income Tax, Total	6,938,399	6,792,600	6,887,400	7,019,200	7,180,200	7,344,700	7,505,600	7,665,100	7,828,700		
Paper, Corporation Returns, Total	5,168,951	4,626,500	4,404,800	4,276,900	4,207,200	4,164,100	4,099,100	4,069,700	4,069,700		
Electronic Corporation Returns, Total	1,770,448	2,166,100	2,482,700	2,742,200	2,973,000	3,180,600	3,375,800	3,566,000	3,759,000		
Forms 1120 and 1120-A, Total*	2,148,339	2,022,000	1,988,300	1,969,600	1,954,800	1,942,100	1,931,500	1,922,500	1,914,900		
Electronic Form 1120	446,630	552,700	645,300	716,000	768,600	810,300	845,500	877,700	908,700		
Form 1120-C**	7,513	9,500	11,100	13,100	15,000	16,700	18,100	19,400	20,400		
Form 1120-F	31,996	32,600	33,700	33,700	34,300	34,900	35,500	36,100	36,700		
Electronic Form 1120-F	1,047	2,800	4,500	6,100	7,700	9,300	10,800	12,800	14,800		
Form 1120-H	226,688	227,200	231,800	237,100	243,500	249,800	256,000	262,000	268,100		
Forms 1120-FSC/IND/PC/REIT/RIC/SF	28,178	29,100	30,300	31,300	32,200	33,000	33,800	34,600	35,400		
Form 1120-S	4,495,685	4,472,200	4,592,700	4,734,400	4,900,600	5,088,200	5,231,800	5,391,500	5,553,800		
Electronic Form 1120-S	1,322,371	1,610,500	1,832,300	2,020,100	2,196,500	2,361,000	2,519,500	2,676,500	2,837,500		
Small Corporation Election, Form 2553	430,339	388,900	364,400	343,700	326,500	312,200	300,700	291,400	284,100		
"REMIC" Income Tax, Form 1066	26,801	33,200	34,000	35,500	37,300	39,300	41,300	43,300	45,300		
Estate, Forms 706, 706NA/GS(D)/GS(T), Total	47,320	29,200	14,900	66,700	98,300	107,200	112,200	117,000	122,100		
Gift, Form 709	245,262	236,200	238,500	256,600	264,900	267,300	269,600	272,000	274,500		
Employment Tax, Total	30,188,261	29,578,100	29,535,500	29,588,900	29,643,600	29,699,800	29,762,100	29,828,700	29,895,400		
Paper Employment Returns, Total	23,551,851	22,901,400	22,672,300	22,517,500	22,387,900	22,281,500	22,203,200	22,151,500	22,123,200		
Electronic Employment Returns, Total	6,636,410	6,676,600	6,863,100	7,071,400	7,255,700	7,418,300	7,558,900	7,677,200	7,772,200		
Forms 940, 940-EZ and 940-PR, Total	5,950,143	5,735,300	5,785,800	5,858,400	5,923,200	6,032,500	6,083,200	6,132,500	6,182,000		
Paper Forms 940, 940-EZ and 940-PR	4,676,785	4,416,700	4,388,400	4,398,500	4,407,500	4,416,000	4,425,300	4,439,400	4,458,100		
Form 940 E-File/On-line/XML	1,273,358	1,318,600	1,397,400	1,459,900	1,515,800	1,564,900	1,607,200	1,643,800	1,674,400		
Forms 941, 941-PR and 941-SS, Total	23,511,375	23,263,200	23,194,300	23,195,500	23,196,200	23,209,100	23,231,900	23,256,300	23,283,400		
Paper 941, 941-PR/SS, Total	18,163,296	17,912,400	17,739,300	17,595,500	17,468,400	17,368,000	17,291,900	17,235,700	17,198,400		
Form 941 E-File/On-line/XML	5,348,079	5,350,800	5,454,500	5,600,000	5,727,800	5,841,100	5,939,200	6,020,600	6,085,000		
Forms 943, 943-PR and 943-SS	229,557	218,900	215,700	212,600	209,700	206,800	204,000	201,200	198,600		
Form 944, Total	382,504	252,300	234,800	220,500	215,500	206,800	201,200	196,800	192,200		
Paper Form 944	367,531	245,100	223,500	209,000	203,400	194,400	188,300	184,100	179,500		
Electronic Form 944	14,973	7,200	11,300	12,500	12,100	12,400	12,900	12,700	12,700		
Form 945	112,877	106,400	103,000	100,000	97,100	94,400	91,800	89,200	86,700		
Form CT-1	1,805	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900		

Notes:
 * Form 1120-A cannot be filed for tax years beginning after Dec. 31, 2006.
 ** 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.

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

Type of Return/BOD	Actual - FY 2009	Projected									
		2010	2011	2012	2013	2014	2015	2016	2017		
Individual Income Tax, Total	142,983,431	140,477,900	141,089,900	142,817,600	144,999,500	147,035,700	148,710,100	150,256,000	152,064,500		
Small Business/Self Employed	43,309,474	43,894,100	44,329,200	44,731,900	45,106,900	45,457,700	45,787,200	46,097,800	46,391,700		
Wage and Investment	99,673,957	96,583,800	96,760,700	98,085,700	99,892,600	101,578,000	102,922,900	104,158,200	105,672,800		
Corporation Income Tax, Total	6,938,399	6,792,600	6,887,400	7,019,200	7,180,200	7,344,700	7,505,600	7,665,100	7,828,700		
Small Business/Self Employed	6,804,624	6,660,500	6,752,900	6,881,500	7,039,100	7,200,300	7,358,700	7,515,200	7,675,700		
Large and Mid-Sized Business	122,468	121,100	123,500	126,600	129,900	133,000	135,500	138,400	141,300		
Tax Exempt/Government Entities	11,307	11,000	11,000	11,100	11,300	11,400	11,500	11,600	11,700		
Partnership Returns	3,564,630	3,564,800	3,760,400	3,928,600	4,089,300	4,249,800	4,410,300	4,537,900	4,666,300		
Small Business/Self Employed	3,405,975	3,411,900	3,593,800	3,749,200	3,897,200	4,044,900	4,192,200	4,308,300	4,424,900		
Large and Mid-Sized Business	158,204	152,400	166,100	178,900	191,500	204,400	217,400	229,000	240,700		
Tax Exempt/Government Entities	451	400	500	500	500	600	600	600	700		
Employment Tax, Total	30,186,261	29,578,100	29,535,500	29,588,900	29,643,600	29,699,800	29,762,100	29,828,700	29,895,400		
Small Business/Self Employed	27,502,604	26,889,900	26,804,600	26,805,200	26,809,000	26,816,000	26,830,400	26,850,500	26,872,600		
Large and Mid-Sized Business	688,932	702,200	710,900	720,200	728,800	736,700	744,100	751,000	757,100		
Tax Exempt/Government Entities	1,996,725	1,986,000	2,020,000	2,063,500	2,105,900	2,147,100	2,187,600	2,227,200	2,265,600		
Excise, Total	794,951	807,200	821,100	829,000	842,400	856,900	869,800	881,600	893,900		
Small Business/Self Employed	704,259	717,800	732,000	739,700	752,300	765,900	778,100	789,400	801,000		
Large and Mid-Sized Business	57,912	56,600	56,200	56,200	56,400	56,800	57,000	57,100	57,200		
Tax Exempt/Government Entities	32,780	32,700	32,900	33,200	33,700	34,200	34,700	35,200	35,600		
Exempt Organization, Total	1,128,732	1,287,000	1,337,400	1,389,300	1,417,700	1,442,400	1,463,200	1,481,900	1,500,000		
Tax Exempt/Government Entities	1,128,732	1,287,000	1,337,400	1,389,300	1,417,700	1,442,400	1,463,200	1,481,900	1,500,000		
Employee Plans, Forms 5500, 5500EZ, and 5500SF	984,528	995,400	1,030,200	1,043,400	1,056,600	1,069,800	1,083,200	1,096,400	1,109,200		
Tax Exempt/Government Entities	984,528	995,400	1,030,200	1,043,400	1,056,600	1,069,800	1,083,200	1,096,400	1,109,200		

Notes:

Projections of Employee Plans returns are based on the 208-18-01 Report; the 2009 count reflects postings to the Employee Plans Master File. Detail may not add to total due to rounding.

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**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 2009 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 *	238,304					
MAPE		0.70%	2.19%	2.83%	3.11%	4.11%
Number of Overprojections		1	2	2	3	3
Grand Total - Paper	130,272					
MAPE		3.53%	5.38%	6.59%	6.52%	8.09%
Number of Overprojections		1	1	2	2	3
Grand Total - E-file/ Mag Tape	108,031					
MAPE		1.97%	2.16%	1.60%	0.84%	5.57%
Number of Overprojections		2	2	2	3	1
Total Primary - Selected Returns *	216,430					
MAPE		1.17%	2.10%	2.41%	3.51%	4.28%
Number of Overprojections		1	1	2	1	2
Primary Total - Paper	108,398					
MAPE		2.56%	5.05%	5.58%	5.57%	9.24%
Number of Overprojections		2	1	1	2	3
Primary Total - E-file/ Mag Tape	108,031					
MAPE		1.24%	2.72%	3.65%	2.71%	7.12%
Number of Overprojections		2	2	2	2	1
Individual Total	143,526					
MAPE		0.49%	3.01%	3.61%	3.87%	4.40%
Number of Overprojections		1	1	1	1	2
Individual Total - Paper	47,223					
MAPE		1.43%	7.07%	6.99%	7.23%	15.73%
Number of Overprojections		1	1	2	3	3
Individual Total - E-file	95,358					
MAPE		1.12%	2.45%	2.63%	3.62%	8.61%
Number of Overprojections		1	2	1	0	0
Individual Estimated Tax	26,031					
MAPE		5.59%	9.68%	9.51%	11.35%	20.22%
Number of Overprojections		3	2	3	4	4
Fiduciary Total	3,096					
MAPE		1.51%	6.48%	14.06%	18.73%	21.17%
Number of Overprojections		4	4	4	4	4
Partnership Total	3,424					
MAPE		1.44%	4.04%	5.53%	9.06%	11.90%
Number of Overprojections		2	1	1	0	0
Corporation Total	6,774					
MAPE		1.65%	2.53%	1.06%	1.48%	3.69%
Number of Overprojections		1	2	2	1	1
Employment Total	29,781					
MAPE		3.00%	2.90%	3.73%	2.65%	3.42%
Number of Overprojections		3	3	2	2	2
Exempt Organization Total	872					
MAPE		3.24%	5.05%	2.36%	4.70%	6.30%
Number of Overprojections		2	3	2	3	2
Excise Total	773					
MAPE		6.71%	8.73%	8.11%	4.07%	5.93%
Number of Overprojections		3	2	1	2	3

* 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.

Internal Revenue Service
Office of Research, Forecasting and Data Analysis
2010

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.
- 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, 945 and CT-1. CT-2 is excluded since the return counts were 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, 8038B, 8038CP, 8038G, 8038GC, 8038T, 8038TC, 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 5500-EZ” is the Annual Return for One-Participant (Owners and Their Spouses) Retirement 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 1040X, 4868 (both paper and electronic), 1120X, 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 1120S) 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, 5500EZ and 5500SF (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) 874-0831,
- (2) by fax at (202) 874-0660, or
- (3) by writing to the following address

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