

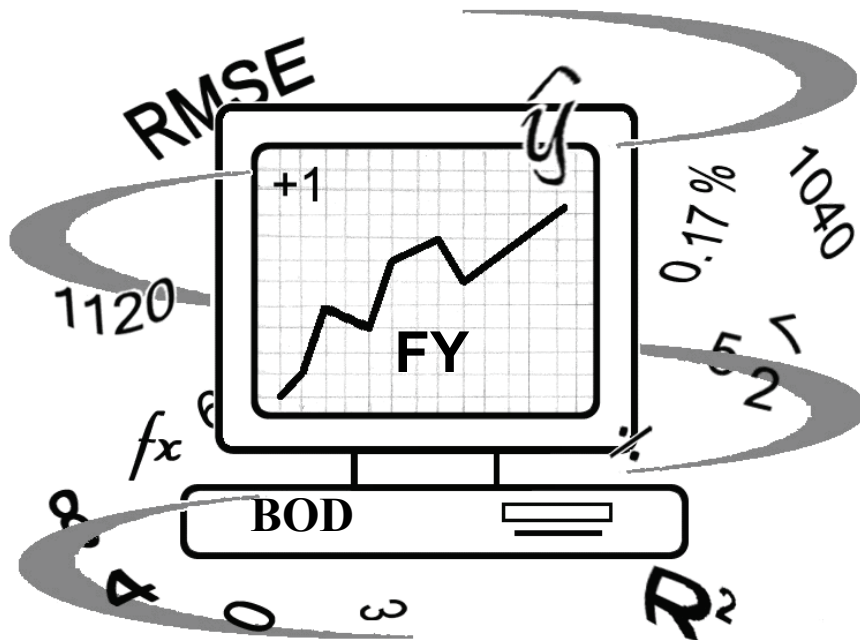
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# Document 6292

Fall 2011 Update

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## Fiscal Year Return Projections for the United States 2011 - 2018



Office of Research  
Research, Analysis, and Statistics

**Document 6292 (revised 8-2011) is produced by the IRS Office of Research, within the Research, Analysis, and Statistics organization.**

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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](http://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."

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**Fiscal Year Return Projections for the United States:  
2011 – 2018**

Document 6292  
Fall 2011 Update

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(Fall 2011)

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## Overview

The following Fall 2011 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) 2011 through 2018 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 April 2011, 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 2010 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 235.3 million in fiscal year 2010, a decrease of 0.8 percent over FY 2009. After FY 2010, grand total return filings are projected to grow at a more typical average annual rate of 0.5 percent, reaching 254 million by FY 2018. 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 Business and International" (LBI) and "Tax Exempt/Government Entities" (TE/GE). Also included are the projected total filings of employee plans (EP) returns, including those processed by the Department of Labor, which comprise major return filings by taxpayers served by the TE/GE operating division.

### 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. The current IRS implementation plan requires preparers filing more than 100 individual tax returns to file them electronically beginning in CY 2011. The threshold drops to ten returns in CY 2012. 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

Enacted in December of 2010, the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 reinstated the estate tax for persons who died in 2010. Furthermore, for a death in 2011 or 2012, the estate tax exclusion amount is \$5 million and the highest marginal federal estate tax rate will be 35 percent. Under the current law, as of January 1, 2013, the generation-skipping tax rate is scheduled to revert to 55 percent, which is the pre-2001 rate. In addition, the generation-skipping tax exemption is scheduled to drop to approximately \$1.4 million. The estimates developed

in this document reflect the marginal adjustments of the current provisions. Analysts using these data are advised to monitor legislation in this area.

#### 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 in tax year 2010.

## 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 2007 through 2010, 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 2010 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	Projected									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Grand Total	235,338,132	237,001,500	239,425,000	242,241,900	245,264,100	248,086,200	250,449,000	252,303,800	253,761,100	
Paper Grand Total	119,044,479	105,548,500	101,961,200	100,126,900	98,916,500	98,020,000	96,889,800	95,541,700	94,040,300	
Electronic Grand Total	116,293,653	131,453,000	137,463,800	142,115,000	146,347,500	150,066,100	153,559,200	156,762,200	159,720,800	
Total Primary Returns	211,283,035	213,243,000	215,674,000	218,445,900	221,424,400	223,819,600	225,773,500	227,238,400	228,321,200	
Individual Income Tax, Total	141,166,802	143,213,200	145,396,700	147,697,400	150,071,700	152,083,900	153,825,300	155,268,500	156,465,200	
Forms 1040, 1040-A, and 1040-EZ, Total	140,307,128	142,333,200	144,490,000	146,766,400	149,119,800	151,112,000	152,833,300	154,257,300	155,437,100	
Paper Forms 1040/1040-A/1040-EZ	42,097,363	31,804,500	29,695,800	28,698,300	28,025,100	27,296,800	26,405,400	25,412,300	24,363,800	
Electronic Forms 1040/1040-A/1040-EZ	98,209,765	110,528,800	114,794,100	118,068,100	121,094,800	123,815,300	126,427,800	128,844,900	131,073,300	
Forms 1040-NR-EZ/C	617,798	637,900	660,400	680,700	697,500	713,500	729,600	744,800	757,600	
Forms 1040-PR and 1040-SS	241,876	242,100	246,300	250,300	254,400	258,400	262,400	266,400	270,500	
Electronic Forms 1040-NR-EZ/C/PR/SS	93,132	94,500	95,900	97,300	98,700	100,100	101,500	102,800	104,200	
Individual Estimated Tax, Form 1040-ES, Total	23,390,344	23,290,900	23,297,500	23,491,900	23,730,700	23,753,500	23,623,400	23,322,300	22,862,600	
Paper Form 1040-ES	23,299,234	23,188,900	23,190,400	23,381,800	23,618,000	23,638,400	23,506,000	23,202,300	22,761,300	
Electronic (Credit Card) Form 1040-ES	91,110	102,000	107,100	110,100	112,700	115,100	117,400	119,400	121,300	
Fiduciary, Form 1041, Total	3,073,951	3,062,400	3,070,500	3,078,200	3,085,900	3,083,600	3,101,300	3,109,100	3,116,800	
Paper Form 1041	2,205,606	1,438,500	1,329,900	1,226,600	1,123,500	1,020,500	917,600	814,900	712,300	
Electronic Form 1041	868,345	1,623,900	1,740,600	1,851,600	1,962,400	2,073,100	2,183,700	2,294,200	2,404,500	
Fiduciary Estimated Tax, Form 1041-ES	343,075	547,400	563,100	572,000	578,000	588,000	615,500	636,800	657,800	
Partnership, Forms 1065/1065-B, Total	3,508,856	3,501,600	3,579,800	3,659,600	3,741,300	3,824,800	3,910,200	3,997,400	4,086,700	
Paper Forms 1065/1065-B	2,242,793	1,956,500	1,750,400	1,615,200	1,536,600	1,492,800	1,482,800	1,512,100	1,550,200	
Electronic Forms 1065/1065-B	1,266,063	1,545,100	1,829,400	2,044,400	2,205,700	2,326,600	2,417,400	2,485,400	2,536,400	
Corporation Income Tax, Total	6,824,769	6,761,200	6,831,100	6,910,800	6,998,900	7,093,100	7,189,100	7,288,300	7,392,500	
Paper Corporation Returns, Total	4,607,370	4,228,800	4,019,800	3,858,800	3,733,200	3,620,300	3,519,700	3,422,100	3,328,200	
Electronic Corporation Returns, Total	2,217,399	2,532,400	2,811,300	3,051,100	3,265,700	3,472,700	3,669,400	3,866,300	4,064,200	
Forms 1120 and 1120-A, Total *	2,016,551	1,928,800	1,888,900	1,857,700	1,834,500	1,814,600	1,794,700	1,775,900	1,759,800	
Electronic Form 1120	541,572	632,100	715,600	814,800	914,800	1,014,800	1,114,800	1,214,800	1,314,800	
Form 1120-C **	8,671	9,100	9,900	10,600	11,400	12,100	12,800	13,600	14,300	
Form 1120-F	32,897	33,100	34,000	34,800	35,700	36,500	37,400	38,200	39,100	
Electronic Form 1120-F	2,557	3,800	5,100	6,400	7,700	8,900	9,700	10,600	11,500	
Form 1120-H	229,990	236,100	243,800	251,600	260,000	268,100	276,100	284,100	292,100	
Forms 1120-FSCLND/PC/RE/IR/SF	28,592	29,100	29,900	30,700	31,500	32,400	33,300	34,200	35,000	
Form 1120-S	4,508,078	4,527,000	4,524,200	4,527,000	4,529,300	4,529,300	4,534,800	4,534,800	4,534,800	
Electronic Form 1120-S	1,673,270	1,896,600	2,090,700	2,273,200	2,443,200	2,607,200	2,769,500	2,936,100	3,112,500	
Small Corporation Election, Form 2553	398,225	370,900	363,900	337,900	322,800	308,500	294,900	282,200	270,100	
*REMIC* Income Tax, Form 1086	33,003	35,200	36,600	38,200	39,900	41,500	43,100	44,600	46,000	
Estate, Forms 706, 706NA/GS(D)/GS(T), Total	28,780	12,900	8,500	6,800	6,300	97,600	106,600	111,100	115,100	
Gift, Form 709	230,007	214,300	205,200	199,500	208,500	230,800	243,300	247,200	249,500	
Employment Tax, Total	29,751,122	29,600,200	29,645,400	29,712,900	29,786,500	29,860,400	29,928,400	29,992,800	30,064,700	
Paper Employment Returns, Total	22,827,023	22,191,100	21,898,100	21,680,800	21,472,500	21,342,100	21,279,800	21,247,500	21,230,300	
Electronic Employment Returns, Total	6,924,099	7,409,100	7,747,300	8,032,000	8,316,000	8,518,200	8,648,600	8,745,300	8,824,300	
Forms 940, 940-EZ and 940-PR, Total	5,751,300	5,693,100	5,736,700	5,784,700	5,834,300	5,917,700	5,952,400	5,983,200	5,983,200	
Paper Forms 940, 940-EZ and 940-PR	4,432,658	4,288,100	4,269,800	4,260,300	4,256,100	4,252,300	4,249,700	4,249,100	4,243,600	
Form 940 E-File/On-line/XML	1,318,642	1,405,000	1,466,900	1,524,300	1,578,200	1,626,100	1,667,900	1,703,300	1,739,600	
Forms 941, 941-PR and 941-SS, Total	23,419,263	23,390,500	23,409,600	23,444,900	23,483,300	23,522,300	23,561,900	23,602,000	23,642,500	
Paper 941, 941-PR/SS, Total	17,821,033	17,393,100	17,136,300	16,944,700	16,753,200	16,638,200	16,589,300	16,568,200	16,566,300	
Form 941 E-File/On-line/XML	5,598,230	5,997,300	6,273,200	6,730,100	6,730,100	6,884,200	7,072,600	7,033,800	7,076,200	
Forms 943, 943-PR and 943-SS	220,223	215,600	212,600	209,200	207,200	204,700	202,300	199,800	197,600	
Form 944, Total	252,492	197,100	185,500	175,900	168,200	162,100	156,100	150,700	145,700	
Paper Form 944	245,265	190,300	178,300	168,500	160,400	154,100	148,000	142,400	137,300	
Electronic Form 944	7,227	6,700	7,200	7,500	7,700	8,000	8,300	8,400	8,400	
Form 945	106,001	102,100	99,200	96,100	93,700	91,100	88,700	86,100	83,900	
Form CT-1	1,843	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	

Notes:  
 \*\* 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 Data Analysis  
 Internal Revenue Service  
 Fall 2011 Document 6292

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

Type of Return	Projected									
	Actual - FY 2010	2011	2012	2013	2014	2015	2016	2017	2018	
Withholding on Foreign Persons, Form 1042	36,372									
Exempt Organizations, Total	1,339,798	1,454,700	37,900	39,000	39,900	40,600	41,200	41,900	42,500	43,100
Paper Exempt Organizations, Total	803,744	795,800	762,300	766,300	762,300	760,700	762,300	768,100	775,600	784,500
Electronic Exempt Organizations, Total	536,054	659,000	721,400	766,900	803,400	803,400	832,700	856,200	875,400	891,700
Form 990, Total	255,807	365,500	406,200	406,200	419,200	418,500	425,900	432,600	439,400	446,300
Electronic Form 990	68,545	101,300	124,300	137,900	148,500	156,800	166,800	163,400	168,800	173,800
Form 990-EZ	342,346	264,000	282,300	232,200	238,000	230,200	244,000	250,100	256,300	262,700
Electronic Form 990-EZ	55,757	69,800	80,800	89,600	96,700	102,300	107,000	110,500	111,500	113,400
Form 990-N*	400,446	473,100	498,400	518,700	534,300	547,800	568,200	568,200	566,500	573,100
Form 990-PF, Total	110,546	116,100	119,500	122,300	124,800	126,300	127,800	128,900	129,900	129,800
Electronic Form 990-PF	11,306	14,800	17,900	20,800	23,400	25,700	27,800	29,600	29,600	31,300
Form 990-T	106,883	112,200	115,100	118,400	121,800	125,400	129,000	132,600	132,600	136,300
Form 4720	2,537	2,800	2,900	2,900	2,900	2,900	3,000	3,000	3,000	3,000
Form 527	121,233	121,100	122,100	122,100	122,700	123,200	123,200	123,700	124,300	124,800
Form 1041-A	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Government Entity/Bonds	44,105	45,900	45,900	45,500	45,500	45,400	45,300	45,200	45,200	45,100
Form 8038	3,898	3,800	3,800	3,900	3,900	3,900	3,900	4,000	4,000	4,000
Form 8038-B	1,131	1,200	600	300	300	100	0	0	0	0
Form 8038-CP	2,022	3,600	4,200	3,900	4,200	4,400	4,400	4,500	4,500	4,500
Form 8038-G	25,625	25,700	25,700	25,700	25,900	26,100	26,200	26,200	26,200	26,200
Form 8038-GC	9,557	9,400	9,100	8,900	8,700	8,500	8,200	8,000	8,000	7,800
Form 8038-T	1,353	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Form 8038-TC	290	700	700	800	800	800	800	900	900	900
Form 8328	229	200	200	200	200	200	200	200	200	200
Political Organizations, Total	11,456	11,500	12,400	12,400	12,400	13,200	12,900	13,900	13,800	14,700
Form 1120-POL, Total	6,118	6,300	6,400	6,400	6,500	6,700	6,800	7,000	7,100	7,300
Electronic Form 1120-POL	18	0	0	0	0	0	0	0	0	0
Form 8871**	2,530	2,500	2,700	2,900	3,100	3,100	3,300	3,500	3,700	4,000
Form 8872, Total	2,808	2,700	2,700	2,700	3,300	3,400	3,400	3,400	3,500	3,500
Electronic Form 8872	2,132	2,000	2,600	2,600	2,600	2,600	2,100	2,700	2,200	2,700
Excise, Total	826,594	825,000	841,700	858,800	876,700	885,100	895,100	914,100	933,600	953,900
Form 11-C	6,346	6,200	6,200	6,200	6,100	6,100	6,000	6,000	5,900	5,900
Form 720	90,763	89,000	87,200	85,500	83,900	82,200	80,600	79,000	79,000	77,500
Electronic Form 720	67	100	100	100	100	100	100	1,000	1,500	2,100
Form 730	37,645	35,300	35,000	34,600	34,300	33,900	33,600	33,300	33,300	32,900
Form 2290	680,672	683,200	702,000	721,400	741,200	761,600	782,600	804,100	826,300	826,300
Electronic Form 2290	44,816	57,500	70,500	86,500	106,000	130,100	159,500	195,600	195,600	239,900
Form 8849	11,168	11,300	11,300	11,300	11,300	11,300	11,300	11,300	11,300	11,300
Electronic Form 8849	810	600	600	600	600	600	600	600	600	600
Excise Taxes re Employee Plans, Form 5330	21,367	20,300	20,300	20,300	20,300	20,300	20,300	20,300	20,300	20,300
Form 5500-EZ, One-Participant Retirement Plans	205,483	191,300	191,300	191,300	191,300	191,300	191,300	191,300	191,300	191,300
Payment or Refund under Sec. 7519, Form 8752	36,426	33,900	32,800	31,800	31,800	30,900	29,900	29,000	28,100	27,300
Supplemental Documents, Total	24,055,097	23,758,500	23,751,000	23,796,000	23,839,700	24,266,600	24,675,500	25,065,500	25,439,900	25,814,300
Form 1040-X	6,867,887	6,296,100	5,986,200	5,730,800	5,475,300	5,227,900	5,070,500	4,915,000	4,760,000	4,605,000
Form 4868, Total	10,409,750	10,507,200	10,687,200	10,870,200	11,054,500	11,215,600	11,359,800	11,495,600	11,596,200	11,697,000
Electronic Form 4868	3,953,283	4,069,500	4,212,200	4,352,400	4,489,700	4,614,300	4,777,400	4,930,800	5,075,600	5,219,000
Form 1120-X	3,794	3,900	4,000	4,100	4,200	4,300	4,400	4,400	4,600	4,700
Form 5558	577,856	604,400	627,500	650,600	673,100	696,800	720,000	743,100	766,200	766,200
Form 7004, Total	5,621,263	5,769,600	5,859,400	5,944,300	6,026,500	6,106,900	6,186,100	6,264,500	6,342,400	6,342,400
Electronic Form 7004	1,978,338	2,703,000	3,188,500	3,492,400	3,711,600	3,871,200	3,995,400	4,090,600	4,167,500	4,167,500
Form 8868, Total	574,547	577,500	586,700	596,000	605,400	615,000	624,700	634,700	644,800	654,900
Electronic Form 8868	105,692	122,900	139,200	156,300	174,300	188,000	197,000	203,300	208,200	213,600

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.

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

Type of Return/BOD	Actual - FY 2010	Projected									
		2011	2012	2013	2014	2015	2016	2017	2018		
Individual Income Tax, Total	140,307,128	142,333,200	144,490,000	146,766,400	149,119,800	151,112,000	152,833,300	154,257,300	155,437,100		
Small Business/Self Employed	42,949,576	42,933,000	43,283,500	43,871,600	44,532,600	45,075,000	45,532,700	45,959,000	46,360,800		
Wage and Investment	97,357,552	99,400,200	101,206,500	102,894,800	104,587,200	106,037,000	107,300,500	108,298,200	109,076,300		
Corporation Income Tax, Total	6,824,769	6,761,200	6,831,100	6,910,000	6,998,900	7,093,100	7,189,100	7,288,300	7,392,500		
Small Business/Self Employed	6,696,257	6,634,100	6,701,900	6,778,100	6,864,100	6,955,200	7,048,100	7,144,200	7,245,000		
Large and Mid-Sized Business	116,798	114,600	116,200	118,300	120,600	123,100	125,700	128,200	130,900		
Tax Exempt/Government Entities	11,714	12,500	13,000	13,600	14,200	14,800	15,300	15,900	16,500		
Partnership Returns	3,508,856	3,501,600	3,579,800	3,659,600	3,741,300	3,824,800	3,910,200	3,997,400	4,086,700		
Small Business/Self Employed	3,366,672	3,359,400	3,434,200	3,510,700	3,589,000	3,669,100	3,751,100	3,835,000	3,920,800		
Large and Mid-Sized Business	141,668	141,600	145,000	148,400	151,700	155,100	158,400	161,800	165,100		
Tax Exempt/Government Entities	516	500	500	600	600	600	600	700	700		
Employment Tax, Total	29,751,122	29,600,200	29,645,400	29,712,900	29,788,500	29,860,400	29,928,400	29,992,800	30,054,700		
Small Business/Self Employed	27,073,962	26,898,200	26,898,400	26,926,700	26,969,800	27,015,000	27,061,200	27,107,300	27,153,700		
Large and Mid-Sized Business	677,590	676,900	683,100	688,200	692,500	695,900	698,700	701,000	703,000		
Tax Exempt/Government Entities	1,999,570	2,025,000	2,063,900	2,098,000	2,126,300	2,149,400	2,168,600	2,184,500	2,198,000		
Excise, Total	826,594	825,000	841,700	858,900	876,700	895,100	914,100	933,600	953,900		
Small Business/Self Employed	736,896	737,300	754,000	771,300	789,100	807,400	826,300	845,700	865,800		
Large and Mid-Sized Business	57,198	56,200	56,400	56,600	56,900	57,200	57,500	57,800	58,200		
Tax Exempt/Government Entities	32,499	31,500	31,300	31,000	30,800	30,600	30,300	30,100	29,900		
Exempt Organization, Total	1,339,798	1,454,700	1,490,200	1,529,200	1,564,100	1,595,500	1,624,300	1,651,100	1,676,200		
Tax Exempt/Government Entities	1,339,798	1,454,700	1,490,200	1,529,200	1,564,100	1,595,500	1,624,300	1,651,100	1,676,200		
Employee Plans, Forms 5500, 5500EZ, and 5500SF	1,300,240	1,326,500	1,366,300	1,406,300	1,446,600	1,487,500	1,528,700	1,569,900	1,611,400		
Tax Exempt/Government Entities	1,300,240	1,326,500	1,366,300	1,406,300	1,446,600	1,487,500	1,528,700	1,569,900	1,611,400		

**Notes:**

Projections of Employee Plans returns are based on the 208-18-01 Report; the 2010 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 2010 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
<b>Grand Total - Selected Returns *</b>	231,032					
MAPE		1.11%	2.81%	3.59%	3.32%	3.38%
Number of Overprojections		2	2	2	3	3
<b>Grand Total - Paper</b>	119,254					
MAPE		4.08%	7.46%	8.74%	7.63%	5.05%
Number of Overprojections		2	2	2	2	3
<b>Grand Total - E-file/ Mag Tape</b>	111,778					
MAPE		1.53%	2.43%	2.00%	0.89%	1.52%
Number of Overprojections		2	1	1	2	2
<b>Total Primary - Selected Returns *</b>	211,733					
MAPE		2.17%	3.26%	2.26%	2.22%	3.31%
Number of Overprojections		1	1	2	0	1
<b>Primary Total - Paper</b>	99,955					
MAPE		2.11%	5.81%	9.57%	8.28%	7.39%
Number of Overprojections		3	2	2	2	3
<b>Primary Total - E-file/ Mag Tape</b>	111,778					
MAPE		1.19%	2.80%	3.65%	3.74%	4.52%
Number of Overprojections		2	1	1	1	1
<b>Individual Total</b>	141,459					
MAPE		1.04%	3.82%	3.40%	3.72%	3.89%
Number of Overprojections		1	1	1	0	1
<b>Individual Total - Paper</b>	42,001					
MAPE		0.79%	7.03%	9.21%	7.81%	10.89%
Number of Overprojections		2	1	2	3	3
<b>Individual Total - E-file</b>	98,598					
MAPE		0.91%	2.46%	2.94%	4.16%	5.61%
Number of Overprojections		0	1	0	0	0
<b>Individual Estimated Tax</b>	23,380					
MAPE		6.76%	14.57%	18.52%	16.74%	19.35%
Number of Overprojections		4	3	3	4	4
<b>Fiduciary Total</b>	3,051					
MAPE		1.23%	5.98%	14.34%	22.29%	27.17%
Number of Overprojections		4	4	4	4	4
<b>Partnership Total</b>	3,435					
MAPE		1.67%	5.60%	5.78%	7.31%	9.25%
Number of Overprojections		3	2	2	1	0
<b>Corporation Total</b>	6,698					
MAPE		1.58%	3.36%	2.99%	1.82%	3.52%
Number of Overprojections		2	2	2	2	2
<b>Employment Total</b>	29,478					
MAPE		1.00%	3.51%	3.93%	3.88%	2.57%
Number of Overprojections		3	3	3	3	2
<b>Exempt Organization Total</b>	976					
MAPE		3.81%	3.84%	2.73%	6.20%	5.03%
Number of Overprojections		1	2	2	2	1
<b>Excise Total</b>	806					
MAPE		5.24%	10.89%	10.70%	10.08%	6.94%
Number of Overprojections		3	3	2	3	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.

## 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.
- 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). 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 Business and International” 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

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

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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

**Internal Revenue Service  
Office of Research RAS:R  
Attn: Chief, Forecasting and Data Analysis  
1111 Constitution Avenue, NW, K-3100  
Washington, DC 20224**



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