

High-Income Tax Returns for Tax Year 2015

by Justin Bryan

For Tax Year 2015, there were almost 6.8 million individual income tax returns with an expanded income of \$200,000 or more, accounting for 4.5 percent of all returns filed for the year.¹ Of these, 10,947 returns had no worldwide income tax liability. This was a 12.9-percent increase over the number of returns with no worldwide income tax liability for 2014, and the first increase after 5 years of decreases. This article presents detailed data for high-income returns for 2015 and summary data for the period 1977 to 2014. Detailed data for the years 1974 through 2014 were published previously. (See the References section for more details.)

Income and Tax Concepts

Two income concepts are used in this article to classify tax returns as high income: the statutory concept of adjusted gross

income (AGI) and the “expanded income” concept. The expanded income concept includes items reported on the tax return to obtain a more comprehensive measure of income than AGI. Specifically, expanded income is AGI *plus* tax-exempt interest, nontaxable Social Security benefits, the foreign-earned income exclusion, and items of “tax preference” for alternative minimum tax (AMT) purposes *less* unreimbursed employee business expenses, moving expenses, investment interest expense to the extent it does not exceed investment income, and miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor.^{2, 3, 4}

AGI and expanded income differed for 45.0 million (29.9 percent) of the 150.5 million individual income tax returns filed for 2015 (Figure A). Expanded income exceeded AGI in two-thirds of these returns. The average difference between

Figure A
Returns With Positive, Zero, or Negative U.S. Income Tax: Differences Between Adjusted Gross Income and Expanded Income, by Size of Adjusted Gross Income, Tax Year 2015

[Money amounts are in whole dollars]

Returns by tax status, size of AGI	All returns	Number of returns with difference between AGI and expanded income	Average difference of expanded income minus AGI	Median difference of expanded income minus AGI	Number of returns where expanded income is greater than AGI	Number of returns where AGI is greater than expanded income
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	150,493,263	44,996,823	6,361	3,552	30,245,775	14,751,048
Under \$50,000 [1]	92,406,915	19,776,452	13,683	14,195	16,759,741	3,016,711
\$50,000 under \$100,000	32,801,909	12,594,148	688	1,364	7,317,681	5,276,466
\$100,000 under \$200,000	18,532,593	8,971,748	-423	-250	4,143,196	4,828,552
\$200,000 or more	6,751,845	3,654,476	2,948	287	2,025,157	1,629,319
Returns with positive U.S. income tax	99,040,729	33,810,895	3,268	1,947	20,522,230	13,288,664
Under \$50,000 [1]	42,651,418	9,269,898	10,087	11,180	7,317,062	1,952,835
\$50,000 under \$100,000	31,246,190	12,000,093	807	1,480	7,093,559	4,906,533
\$100,000 under \$200,000	18,402,358	8,893,133	-488	-251	4,090,602	4,802,531
\$200,000 or more	6,740,763	3,647,772	3,188	285	2,021,007	1,626,765
Returns with zero U.S. income tax	18,556,700	8,072,235	19,802	18,561	7,765,135	307,099
Under \$50,000 [1]	18,136,072	7,769,596	20,316	18,874	7,524,797	244,799
\$50,000 under \$100,000	323,927	241,481	8,586	3,614	191,036	50,445
\$100,000 under \$200,000	85,653	54,468	14,401	5,884	45,156	9,311
\$200,000 or more	11,047	6,690	-128,051	5,555	4,146	2,544
Returns with negative U.S. income tax	32,895,834	3,113,694	5,106	7,232	1,958,409	1,155,285
Under \$50,000 [1]	31,619,425	2,736,958	7,029	8,928	1,917,881	819,077
\$50,000 under \$100,000	1,231,792	352,574	-8,787	-4,982	33,086	319,488
\$100,000 under \$200,000	44,582	24,148	-9,965	-1,650	7,438	16,710
\$200,000 or more	35	14	-9,008	-1,840	4	10

[1] Includes returns with adjusted gross deficit.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. income tax.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, October 2018.

¹ The Tax Reform Act of 1976 requires annual publication of data on individual income tax returns reporting incomes of \$200,000 or more, including the number of such returns reporting no income tax liability and the importance of various tax provisions in making these returns nontaxable. The statutory requirement is contained in section 2123 of the Tax Reform Act of 1976 (90 Stat. at 1915).

² The definition of adjustments to AGI to obtain the expanded income given in the text is for the current year. See Appendix A for a discussion of AGI and expanded income and a list of adjustments covering all years since 1977.

³ See Notes to Appendix A, note A4.

⁴ Tax-exempt interest had to be reported on the individual income tax return starting with Tax Year 1987 and is included in expanded income starting with that year. Beginning with Tax Year 1991, tax-exempt interest was incorporated into the criteria used for sampling returns for Statistics of Income, thus increasing the reliability of the estimates of expanded income.



expanded income and AGI was \$6,361, and the median difference was \$3,552. Although expanded income is a more comprehensive measure of income than AGI, for some taxpayers the subtractions from AGI to arrive at expanded income exceeded the additions, resulting in expanded income that was less than AGI. Returns where expanded income exceeded AGI were concentrated among returns with \$50,000 or less of AGI. Returns where AGI exceeded expanded income were concentrated among returns with more than \$50,000 of AGI.

There are also two tax concepts in this article used to classify returns as taxable or nontaxable: “U.S. income tax” and “worldwide income tax.” U.S. income tax is total Federal income tax liability, which includes the AMT, less all credits against income tax, and does not include payroll or self-employment taxes. To be considered taxable, a return had to have a positive income tax liability after accounting for all credits. A nontaxable return, on the other hand, could either have a zero or negative income tax liability after accounting for all credits (including refundable credits). Since the Federal income tax applies to worldwide income and allows a credit (subject to certain limits) for income taxes paid to foreign governments, a return could be classified as nontaxable under the U.S. income tax concept

even though income taxes had been paid to a foreign government. Worldwide income tax addresses this circumstance by adding back the allowable foreign tax credit and foreign taxes paid on excluded foreign-earned income to U.S. income tax.^{5,6} The sum of these two items is believed to be a reasonable proxy for foreign taxes paid.

Figure B shows a cross-tabulation of tax returns based on whether a return has positive, zero, or negative U.S. income tax liability and whether it also has positive, zero, or negative worldwide income tax. By definition, returns with positive U.S. income tax liability have positive worldwide income tax liability; returns with zero U.S. tax liability have either positive or zero worldwide income tax liability; and returns with negative U.S. income tax liability have either positive or negative worldwide income tax liability. Just under 35 percent of the 150.5 million tax returns filed for 2015 had zero or negative U.S. income tax liability, and 96.7 percent of these returns had an AGI of \$50,000 or less—unsurprising given the progressive nature of the U.S. income tax. Only 4 out of every 1,000 returns with zero or negative U.S. income tax liability had positive worldwide income tax liability, and 40.9 percent of these returns had an AGI of \$50,000 or more.

Figure B

Returns With Positive, Zero, and Negative U.S. and Worldwide Income Tax: Number of Returns, by Size of Adjusted Gross Income, Tax Year 2015

Returns by U.S. tax status, size of AGI	All returns	Returns with positive worldwide income tax	Returns with zero worldwide income tax	Returns with negative worldwide income tax
	(1)	(2)	(3)	(4)
Returns with positive U.S. income tax	99,040,729	99,040,729	0	0
Under \$50,000 [1]	42,651,418	42,651,418	0	0
\$50,000 under \$100,000	31,246,190	31,246,190	0	0
\$100,000 under \$200,000	18,402,358	18,402,358	0	0
\$200,000 or more	6,740,763	6,740,763	0	0
Returns with zero U.S. income tax	18,556,700	180,332	18,376,368	0
Under \$50,000 [1]	18,136,072	107,827	18,028,245	0
\$50,000 under \$100,000	323,927	39,061	284,866	0
\$100,000 under \$200,000	85,653	26,742	58,912	0
\$200,000 or more	11,047	6,702	4,345	0
Returns with negative U.S. income tax	32,895,834	18,000	0	32,877,834
Under \$50,000 [1]	31,619,425	9,335	0	31,610,090
\$50,000 under \$100,000	1,231,792	6,049	0	1,225,743
\$100,000 under \$200,000	44,582	2,609	0	41,973
\$200,000 or more	35	7	0	28

[1] Includes returns with adjusted gross deficit.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. and worldwide income tax.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, October 2018.

⁵ See Appendix B for a discussion of the tax concepts. In data published for years prior to 1989, either in articles presented in the *Statistics of Income Bulletin* or in chapters in *Statistics of Income—Individual Income Tax Returns* (see Reference section), the “U.S. income tax” concept was described as “total income tax,” and the “worldwide income tax” concept was described as “modified total income tax.”

⁶ The inclusion of foreign taxes paid on excluded foreign-earned income, beginning with Tax Year 1990, represents an improvement in the worldwide income tax concept. However, it also represents a slight break in the year-to-year comparability of data for worldwide income tax. Nevertheless, the number of returns with foreign taxes paid on excluded foreign-earned income is extremely small compared to the number of returns with the foreign tax credit.

Number of High-Income Returns

For 2015, there were slightly less than 6.8 million individual income tax returns with an AGI of at least \$200,000, and nearly 6.8 million returns with an expanded income of \$200,000 or more (Figure C). The number of returns with AGI above the \$200,000 threshold increased 8.5 percent from 2014 and accounted for 4.5 percent of all returns for 2015. Similarly, the returns with expanded incomes above the \$200,000 threshold increased 8.0 percent from 2014 and accounted for 4.5 percent of all returns for 2015.

The \$200,000 threshold for high-income returns is measured in current-year (nominal) dollars. Because it is fixed in nominal terms, as time passes, more and more tax returns have had incomes exceeding this threshold simply due to inflation. Therefore, to facilitate a comparison of tax returns across time, Figure C shows what the \$200,000 threshold in 1976 would be each year after adjusting for inflation and the number and share of returns above this threshold.⁷ For Tax Year 2015, this inflation-adjusted threshold was \$833,100. Since 1977, the number of returns with AGI above this inflation-adjusted threshold has

Figure C

All Returns and Returns With Income of \$200,000 or More Measured in Current and Inflation-Adjusted Dollars, by Income Concept, Tax Years 1977–2015

Tax year	All returns	\$200,000 income threshold measured in current dollars			
		Number of returns by income concept		Percentage of all returns by income concept	
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(1)	(2)	(3)	(4)	(5)
1977	86,634,640	53,403	67,580	0.062	0.078
1978	89,771,551	68,506	85,137	0.076	0.095
1979	92,694,302	93,731	122,231	0.101	0.132
1980	93,902,459	117,250	149,826	0.125	0.160
1981	95,396,123	138,136	175,092	0.145	0.184
1982	95,337,432	169,367	207,291	0.178	0.217
1983	96,321,310	198,608	249,319	0.206	0.259
1984	99,438,708	243,760	310,042	0.245	0.312
1985	101,660,287	296,507	370,340	0.292	0.364
1986	103,045,170	374,363	529,460	0.363	0.514
1987	106,996,270	539,967	557,848	0.505	0.521
1988	109,708,280	725,345	737,659	0.661	0.672
1989	112,135,673	786,063	814,152	0.701	0.726
1990	113,717,138	834,957	860,940	0.734	0.757
1991	114,730,123	846,707	892,178	0.738	0.778
1992	113,604,503	954,747	989,522	0.840	0.871
1993	114,601,819	993,326	1,043,213	0.867	0.910
1994	115,943,131	1,109,498	1,153,829	0.957	0.995
1995	118,218,327	1,272,508	1,319,382	1.076	1.116
1996	120,351,208	1,523,407	1,572,114	1.266	1.306
1997	122,421,991	1,807,900	1,854,031	1.477	1.514
1998	124,770,662	2,085,211	2,132,301	1.671	1.709
1999	127,075,145	2,429,942	2,479,556	1.912	1.951
2000	129,373,500	2,771,577	2,807,804	2.142	2.170
2001	130,255,237	2,567,220	2,605,021	1.971	2.000
2002	130,076,443	2,414,128	2,464,515	1.856	1.895
2003	130,423,626	2,536,439	2,573,133	1.945	1.973
2004	132,226,042	3,021,435	3,067,602	2.285	2.320
2005	134,372,678	3,566,125	3,584,012	2.654	2.667
2006	138,394,754	4,064,883	4,094,953	2.937	2.959
2007	142,978,806	4,535,623	4,576,315	3.172	3.201
2008	142,450,569	4,375,660	4,416,986	3.072	3.101
2009	140,494,127	3,924,489	3,975,288	2.793	2.830
2010	142,892,051	4,296,307	4,347,756	3.007	3.043
2011	145,370,240	4,700,056	4,758,256	3.233	3.273
2012	144,928,472	5,251,992	5,308,871	3.624	3.663
2013	147,351,299	5,558,244	5,616,056	3.772	3.811
2014	148,606,578	6,223,813	6,279,428	4.188	4.226
2015	150,493,263	6,751,845	6,784,187	4.486	4.508

Footnotes at end of figure.

⁷ Inflation-adjusted dollars are based on the Consumer Price Index (CPI-U) as published by the U.S. Department of Labor, Bureau of Labor Statistics. The consumer price index approximates buying patterns of typical urban consumers. The annual index is the average of the monthly indices.

Figure C—Continued

All Returns and Returns With Income of \$200,000 or More Measured in Current and Inflation-Adjusted Dollars, by Income Concept, Tax Years 1977–2015—Continued

Tax year	Inflation-adjusted income threshold equal to \$200,000 in 1976 dollars (whole dollars) [1]	\$200,000 inflation-adjusted income threshold			
		Number of returns by income concept		Percentage of all returns by income concept	
		Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
	(6)	(7)	(8)	(9)	(10)
1977	213,005	45,931	58,991	0.053	0.068
1978	229,174	49,388	62,556	0.055	0.070
1979	255,184	55,542	76,479	0.060	0.083
1980	289,631	52,512	71,704	0.056	0.076
1981	319,508	50,880	71,146	0.053	0.075
1982	339,192	59,411	81,297	0.062	0.085
1983	350,088	67,310	93,977	0.070	0.098
1984	365,202	80,800	116,389	0.081	0.117
1985	378,207	95,740	134,715	0.094	0.133
1986	385,237	119,550	191,596	0.116	0.186
1987	399,297	161,408	169,942	0.151	0.159
1988	415,817	235,051	241,201	0.214	0.220
1989	435,852	217,685	228,530	0.194	0.204
1990	459,400	216,716	228,659	0.191	0.201
1991	478,735	183,442	195,743	0.160	0.171
1992	493,146	213,783	227,354	0.188	0.200
1993	507,909	201,236	212,853	0.176	0.186
1994	520,914	204,532	214,673	0.176	0.185
1995	535,677	237,770	248,077	0.201	0.210
1996	551,494	278,342	288,194	0.231	0.239
1997	564,148	335,040	345,869	0.274	0.283
1998	572,934	385,183	396,207	0.309	0.318
1999	585,589	436,118	446,583	0.343	0.351
2000	605,272	482,396	492,589	0.373	0.381
2001	622,495	391,901	400,906	0.301	0.308
2002	632,337	345,892	356,402	0.266	0.274
2003	646,749	356,727	367,012	0.274	0.281
2004	663,972	436,583	445,934	0.330	0.337
2005	686,467	519,216	527,126	0.386	0.392
2006	708,612	569,893	581,199	0.412	0.420
2007	728,794	606,026	618,154	0.424	0.432
2008	756,777	487,656	498,470	0.342	0.350
2009	754,084	372,665	383,354	0.265	0.273
2010	766,453	421,604	433,924	0.295	0.304
2011	790,647	430,127	440,529	0.296	0.303
2012	807,009	535,038	545,246	0.369	0.376
2013	818,830	470,906	480,987	0.320	0.326
2014	832,112	546,588	554,697	0.368	0.373
2015	833,100	583,951	591,942	0.388	0.393

[1] Inflation-adjusted dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers with 1976 as the base year. See footnote 8 of this article for further details.

NOTE: See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, October 2018.

increased at an annual rate of approximately 6.9 percent. In comparison, the total number of returns has increased 1.5 percent per year since 1977.

Adjusting for inflation, the number of returns above the AGI threshold was 583,951 for Tax Year 2015 or 0.39 percent of all returns, up from 0.37 percent of all returns in 2014. Similarly, the number of returns above the inflation-adjusted threshold using the expanded income concept was 591,942 for Tax Year 2015 or 0.39 percent of all returns, up from 0.37 percent of all returns in 2014. Since 1977, the number of returns with expanded

income above this threshold has increased at an annual rate of approximately 6.3 percent.

Although the number of returns reporting incomes of \$200,000 or more generally increased annually from 1977 to 2015, the exceptions to this reflect the economic downturns in Tax Years 2001, 2002, 2008, and 2009. The general trend of a rise in the number of returns is similar when using the inflation-adjusted income threshold. However, the increases are much smaller, and the number of returns above the inflation-adjusted threshold decreased in additional years, i.e., Tax Years 1980,

1981, 1989, 1990, 1991, 1993, and 2013. Many of these years also coincided with economic downturns.⁸

The difference in the number of high-income returns between the two income concepts significantly decreased beginning with 1987, when AGI began to include 100 percent of long-term capital gains. This change in the definition of AGI made it more comparable to the expanded-income concept. In addition, due to the inclusion of tax-exempt interest in expanded income in 1987, expanded income for years after 1986 is not strictly comparable to expanded income for years before 1987.

Nontaxable High-Income Returns

Of the 6.8 million income tax returns with an AGI of \$200,000 or more, 11,082 showed no U.S. income tax liability for Tax

Year 2015 (top panel of Figure D). Also, of the 6.8 million tax returns with expanded income of \$200,000 or more, 22,297 had no U.S. income tax liability. This represents a 1.6-percent increase for high-AGI returns and a 5.9-percent increase for high-expanded-income returns with no U.S. income tax liability from the corresponding numbers of nontaxable high-income returns for 2014.

Of the returns with an AGI of \$200,000 or more, 4,373 returns showed no worldwide income tax liability for Tax Year 2015. For returns with an expanded income of \$200,000 or more, 10,947 had no worldwide income tax liability. This represents a 11.4-percent increase for high-AGI returns and 12.9-percent increase for high-expanded-income returns with no worldwide

Figure D

Nontaxable Returns With Income of \$200,000 or More Measured in Current and Inflation-Adjusted Dollars, by Tax and Income Concept, Tax Years 1977–2015

Tax year	\$200,000 income threshold measured in current dollars							
	Number of nontaxable returns with income of \$200,000 or more				Percentage of all returns with income of \$200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1977	60	85	37	64	0.112	0.126	0.069	0.095
1978	98	105	60	67	0.143	0.123	0.088	0.079
1979	70	114	28	64	0.075	0.093	0.030	0.052
1980	143	198	56	114	0.122	0.132	0.048	0.076
1981	226	304	79	114	0.164	0.174	0.057	0.065
1982	262	299	109	153	0.155	0.144	0.064	0.074
1983	447	579	321	437	0.225	0.232	0.162	0.175
1984	532	325	471	271	0.218	0.105	0.193	0.087
1985	612	613	442	454	0.206	0.166	0.149	0.123
1986	659	595	437	379	0.176	0.112	0.117	0.072
1987	857	472	740	364	0.159	0.085	0.137	0.065
1988	822	397	731	309	0.113	0.054	0.101	0.042
1989	1,081	779	987	691	0.138	0.096	0.126	0.085
1990	1,219	1,183	1,114	1,087	0.146	0.137	0.133	0.126
1991	1,253	1,933	1,131	1,740	0.148	0.217	0.134	0.195
1992	909	1,896	823	1,799	0.095	0.192	0.086	0.182
1993	1,022	2,392	932	1,950	0.103	0.229	0.094	0.187
1994	1,137	2,574	1,061	2,161	0.102	0.223	0.096	0.187
1995	998	2,676	896	1,746	0.078	0.203	0.070	0.132
1996	1,044	1,820	950	1,660	0.069	0.116	0.062	0.106
1997	1,189	1,814	1,048	1,562	0.066	0.098	0.058	0.084
1998	1,467	2,224	1,283	1,914	0.070	0.104	0.062	0.090
1999	1,605	2,525	1,398	2,174	0.066	0.102	0.058	0.088
2000	2,328	2,766	2,022	2,320	0.084	0.099	0.073	0.083
2001	3,385	4,910	2,875	4,119	0.132	0.188	0.112	0.158
2002	2,959	5,650	2,551	4,922	0.123	0.229	0.106	0.200
2003	2,824	5,839	2,416	4,934	0.111	0.227	0.095	0.192
2004	2,833	5,028	2,420	4,101	0.094	0.164	0.080	0.134
2005	7,389	10,680	4,224	5,420	0.207	0.298	0.118	0.151
2006	8,252	11,014	4,123	4,322	0.203	0.269	0.101	0.106
2007	11,600	14,794	5,497	5,197	0.256	0.323	0.121	0.114
2008	22,257	31,539	12,326	17,127	0.509	0.714	0.282	0.388
2009	20,752	35,061	10,080	19,551	0.529	0.882	0.257	0.492
2010	19,003	32,441	8,046	16,082	0.442	0.746	0.187	0.370
2011	19,563	32,902	7,557	15,000	0.416	0.691	0.161	0.315
2012	20,304	32,326	7,408	13,450	0.387	0.609	0.141	0.253
2013	12,517	25,926	4,266	12,794	0.225	0.462	0.077	0.228
2014	10,905	21,052	3,927	9,692	0.175	0.335	0.063	0.154
2015	11,082	22,297	4,373	10,947	0.164	0.329	0.065	0.161

Footnotes at end of table.

⁸ See National Bureau of Economic Research list of business cycles at <http://www.nber.org/cycles.html>.

Figure D—Continued
Nontaxable Returns With Income of \$200,000 or More Measured in Current and Inflation-Adjusted Dollars, by Tax and Income Concept, Tax Years 1977–2015—Continued

Tax year	\$200,000 inflation-adjusted income threshold [1]							
	Number of nontaxable returns with income of \$200,000 or more				Percentage of all returns with income of \$200,000 or more			
	Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept		Returns with no U.S. income tax, by income concept		Returns with no worldwide income tax, by income concept	
	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income	Adjusted gross income	Expanded income
(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
1977	54	75	32	56	0.118	0.127	0.070	0.095
1978	62	70	31	39	0.126	0.112	0.063	0.062
1979	38	71	15	39	0.068	0.093	0.027	0.051
1980	56	71	22	39	0.107	0.099	0.042	0.054
1981	53	87	21	55	0.104	0.122	0.041	0.077
1982	58	68	27	36	0.098	0.084	0.045	0.044
1983	138	135	113	108	0.205	0.144	0.168	0.115
1984	170	78	160	66	0.210	0.067	0.198	0.057
1985	190	155	137	99	0.198	0.115	0.143	0.073
1986	201	189	138	120	0.168	0.099	0.115	0.063
1987	312	126	271	85	0.193	0.074	0.168	0.050
1988	277	141	251	116	0.118	0.058	0.107	0.048
1989	293	128	269	106	0.135	0.056	0.124	0.046
1990	339	169	307	137	0.156	0.074	0.142	0.060
1991	301	305	273	277	0.164	0.156	0.149	0.142
1992	171	288	148	264	0.080	0.127	0.069	0.116
1993	180	323	160	300	0.089	0.152	0.080	0.141
1994	227	345	209	329	0.111	0.161	0.102	0.153
1995	202	281	174	252	0.085	0.113	0.073	0.102
1996	236	275	213	254	0.085	0.095	0.077	0.088
1997	256	247	222	214	0.076	0.071	0.066	0.062
1998	290	289	251	253	0.075	0.073	0.065	0.064
1999	351	343	296	293	0.080	0.077	0.068	0.066
2000	464	365	390	290	0.096	0.074	0.081	0.059
2001	694	648	567	519	0.177	0.162	0.145	0.129
2002	520	616	437	530	0.150	0.173	0.126	0.149
2003	407	567	339	485	0.114	0.154	0.095	0.132
2004	350	396	301	344	0.080	0.089	0.069	0.077
2005	1,166	1,236	625	624	0.225	0.234	0.120	0.118
2006	1,257	1,111	512	306	0.221	0.191	0.090	0.053
2007	1,524	1,369	565	314	0.251	0.221	0.093	0.051
2008	3,001	2,861	1,436	1,116	0.615	0.574	0.294	0.224
2009	2,268	2,841	874	1,252	0.609	0.741	0.235	0.327
2010	2,151	2,520	621	820	0.510	0.581	0.147	0.189
2011	2,327	2,754	633	884	0.541	0.625	0.147	0.201
2012	2,297	2,450	535	547	0.429	0.449	0.100	0.100
2013	901	1,158	217	398	0.191	0.241	0.046	0.083
2014	627	754	212	303	0.115	0.136	0.039	0.055
2015	617	753	220	329	0.106	0.127	0.038	0.056

[1] Inflation-adjusted dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers with 1976 as the base year. See footnote 8 of this article for further details. See Figure C, Column 6, for the yearly inflation-adjusted thresholds.

NOTES: See Figure M for the derivation of U.S. income tax and worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. In order to maintain historical comparability, Tax Years 2007 and 2008 data were recalculated using the new criteria. Previously published tables for Tax Years 2007 and 2008 do not reflect these changes. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, October 2018.

income tax liability, compared to the number of returns in the same categories for 2014.

Tables 1 and 2 also show the number of all returns, taxable returns, and nontaxable returns cross-classified by broad AGI and expanded-income size classes. Most returns fall in the same broad income-size class under both income concepts, but the number of nontaxable returns under the expanded-income concept is generally greater than the AGI concept in each income

class over \$50,000. They also show that there were 6.6 million returns with incomes of \$200,000 or more as measured by both AGI and expanded income, of which 9,333 returns had no U.S. income tax liability and 2,719 returns had no worldwide income tax.

Of the roughly 584,000 returns with an AGI over the inflation-adjusted high-income threshold, 617 returns had no U.S. income tax liability in 2015, down 1.6 percent from the

previous year (lower panel of Figure D). Additionally, 220 returns showed no worldwide income tax liability, up 3.8 percent over the number for 2014. Measured using expanded income, of the almost 592,000 returns above the inflation-adjusted threshold, 753 returns had no U.S. income tax liability, almost unchanged from 2014, as well as 329 returns that showed no worldwide income tax liability for 2015, up 8.6 percent over the number of returns for the previous year.

Moving from the nominal \$200,000 threshold to an inflation-adjusted threshold does not generally change substantially the share of high-income returns that are nontaxable. Using AGI, 0.2 percent of high-income returns had no U.S. income tax liability with a nominal \$200,000 threshold, while only 0.1 percent had no U.S. income tax liability using an inflation-adjusted threshold. Similarly, 0.06 percent of high-income returns over the nominal threshold and 0.04 percent of high-income returns above the inflation-adjusted threshold had no worldwide income tax liability for 2015. When using expanded income with a nominal \$200,000 threshold, 0.3 percent of high-income returns had no U.S. income tax, and 0.2 percent had no worldwide income tax for 2015, while an inflation-adjusted threshold showed that

0.1 percent had no U.S. income tax and 0.06 percent had no worldwide income tax.

Figure E shows the evolution of the number and share of returns with an expanded income of \$200,000 or more with no worldwide income tax. The number of returns above the threshold is read off the left vertical axis, and the share of returns above the threshold is read off the right vertical axis. Two series are shown for each measure, one using a nominal \$200,000 threshold and one using an inflation-adjusted threshold.

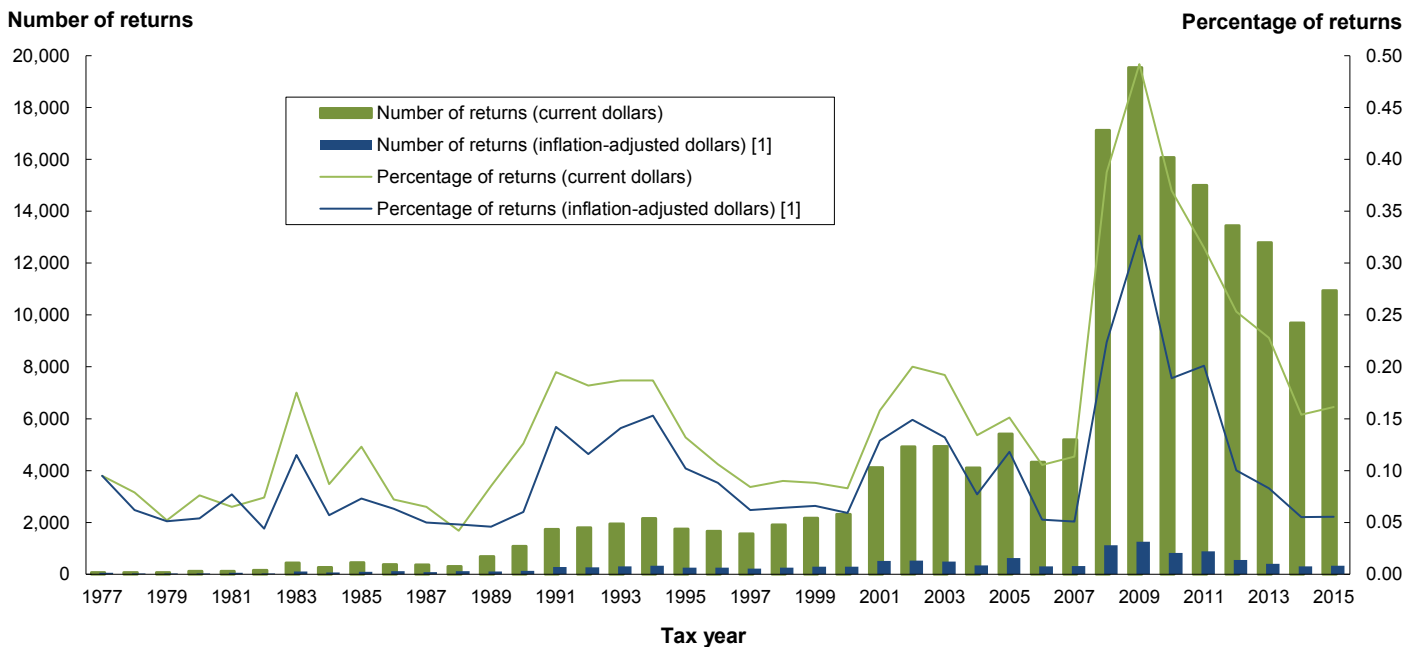
In this figure, the spread between the two shares was small for the late 1970s, showed an increase for the early 1980s, and then narrowed before widening again after 1988. The spread generally narrowed after 1993 but increased or stayed fairly consistent from 2002 to 2007. From 2008 to 2014, the spread widened considerably. The gap (over 0.1 percentage point) for 2015 is smaller than many of the past years, but is still wide compared with most of the years in this study.⁹

Reasons for Nontaxability

Taxpayers may have their tax liability reduced—possibly to zero or beyond—in numerous ways. These include claiming

Figure E

Returns With Expanded Income of \$200,000 or More: Number and Percentage of Returns With No Worldwide Income Tax, Measured in Current and Inflation-Adjusted Dollars, Tax Years 1977–2015



[1] Inflation-adjusted dollars were calculated using the U.S. Bureau of Labor Statistics' consumer price index for urban consumers with 1976 as the base year. See footnote 8 of this article for further details.

NOTES: See Figure M for the derivation of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits were factored in to determine tax liability. In order to maintain historical comparability, Tax Years 2007 and 2008 data were recalculated using the new criteria. Previously published tables for Tax Years 2007 and 2008 do not reflect these changes. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect. See Appendix A: Income Concepts of this article for a discussion of expanded income.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, October 2018.

⁹ Note that before 1991, the number of nontaxable returns with expanded income of \$200,000 or more was based on samples. Year-to-year differences in the number and percentages of nontaxable returns with expanded income of \$200,000 or more may have represented sampling variability, in addition to actual changes in the number of such returns. Beginning with Tax Year 1991, nontaxable returns with expanded income of \$200,000 or more were sampled at higher rates, which reduced the sampling variability of these returns and, therefore, provided improved estimates. Thus, the data for returns prior to 1991 are not entirely comparable with data for more recent years.

tax credits, which directly reduces an individual’s tax liability; claiming various deductions, which reduces taxable income; and receiving income that is excluded from the calculation of taxable income.

It is possible for certain itemized deductions and certain exclusions from income to lead to nontaxability by themselves, but high-income returns are more often nontaxable for a combination of reasons, none of which alone would result in nontaxability. Moreover, some items, either singly or in combination, may eliminate “regular tax” liability (i.e., income tax excluding the AMT), but cannot eliminate an AMT liability since these items give rise to adjustments or preferences for AMT purposes.

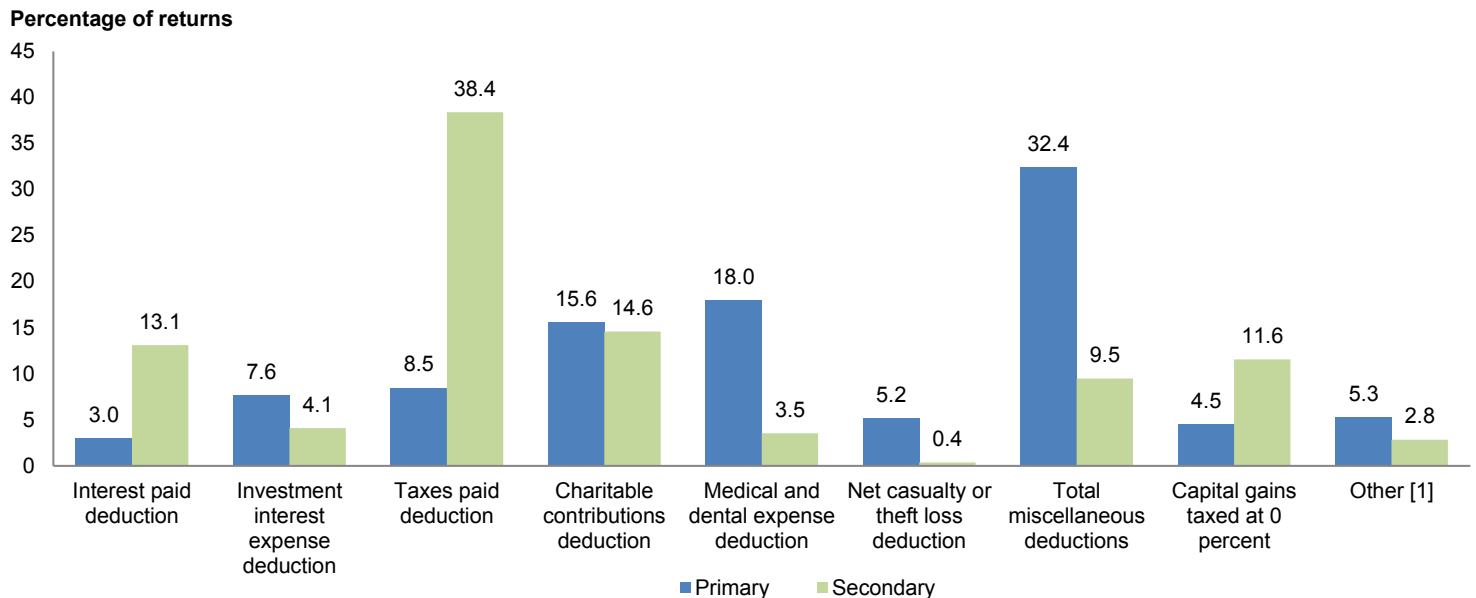
Because they do not generate AMT adjustments or preferences, tax-exempt bond interest (not including private activity bonds), itemized deductions for interest expenses, miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor, casualty or theft losses, and medical expenses (exceeding 10 percent of AGI) could, by themselves, produce nontaxability.

Due to the AMT exemption of \$83,400 for joint returns (\$53,600 for single and head-of-household returns and \$41,700 for returns of married taxpayers filing separately), a return could have been nontaxable even though it included some items that produced AMT adjustments or preferences.¹⁰ Further, since the

starting point for “alternative minimum taxable income” was taxable income for regular tax purposes, a taxpayer could have adjustments and preferences exceeding the AMT exclusion without incurring AMT liability. This situation could occur if taxable income for regular tax purposes was sufficiently negative due to itemized deductions and personal exemptions exceeding AGI, such that the taxpayer’s AMT adjustments and preferences are less than the sum of the AMT exclusion and the amount by which regular taxable income is below zero. Note that, because of the AMT, taxpayers may have found it beneficial to report additional deduction items on their tax returns even if the items did not produce a benefit for regular tax purposes.

The most important item in eliminating tax on the 4,373 returns without any worldwide income tax and with an AGI of \$200,000 or more was total miscellaneous deductions, which includes deductions such as the gambling loss deduction, or property income, casualty, and theft deduction. This was the case in 32.4 percent (1,419) of these returns (Figure F). The next three categories that most frequently had the largest primary effect in eliminating taxes were: 1) medical and dental expense deduction (18.0 percent or 786 returns); 2) charitable contributions deduction (15.6 percent or 682 returns); and 3) taxes paid deduction (8.5 percent or 370 returns). The item that was most

Figure F
Returns With Adjusted Gross Income of \$200,000 or More and No Worldwide Income Tax: Percentage of Primary and Secondary Reasons for No Income Tax Liability, Tax Year 2015



[1] Includes 10 returns where the primary reason for nontaxability was not identified by the data items selected for this article. Does not include returns where there was no secondary reason for nontaxability.
 NOTES: Detail may not add to 100 percent because of rounding. See Figure M for the derivation of worldwide income tax. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income.
 SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, October 2018.

¹⁰ The AMT exclusion phases out above certain levels of “alternative minimum taxable income,” based on filing status. However, since taxpayers will have some AMT liability in the phase-out range, the phase-out income is not relevant for nontaxable, high-income returns.

frequently the secondary effect in reducing regular tax liability for high-AGI returns with no worldwide income tax was the deduction for taxes paid (38.4 percent or 1,675 returns). The next three categories that most frequently had the largest secondary effect in eliminating taxes were: 1) the charitable contributions deduction (14.6 percent or 637 returns); 2) interest paid deduction (13.1 percent or 572 returns); and 3) capital gains taxed at 0 percent (11.6 percent or 504 returns).

Of the 10,947 returns without any worldwide income tax and expanded incomes of \$200,000 or more, the most important item in eliminating tax, on 51.9 percent of returns, was the exclusion for interest income on State and local Government bonds (“tax-exempt interest”) (Figure G). The next three categories that most frequently had the largest primary effect on taxes were: 1) medical and dental expense deduction (15.9 percent or 1,739 returns); 2) charitable contributions deduction (8.2 percent or 903 returns); and 3) foreign-earned income exclusion (6.1 percent or 671 returns). The item that was most frequently the secondary effect in reducing regular tax liability on high-expanded-income returns with no worldwide income tax was the deduction for taxes paid (24.4 percent or 2,670 returns). The next three categories that most frequently had the largest secondary effect in eliminating taxes were: 1) charitable contributions deduction (13.5 percent or 1,479 returns); 2) capital gains

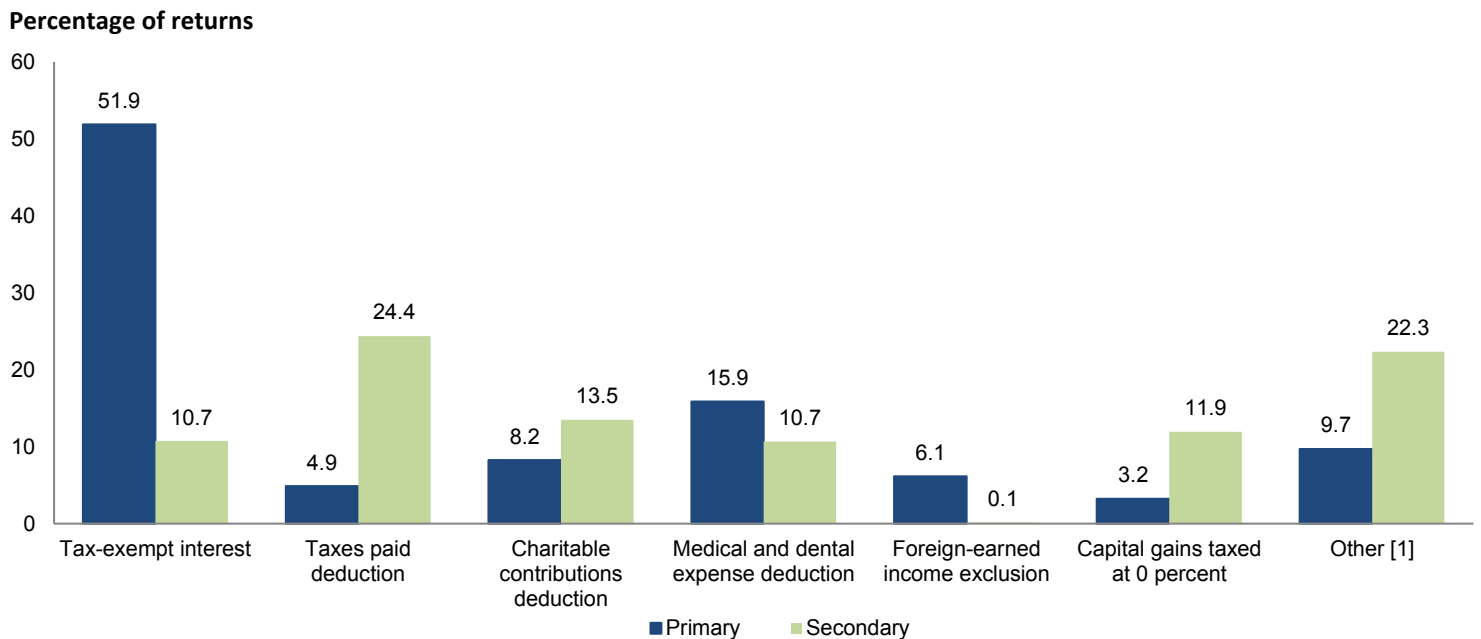
taxed at 0 percent (11.9 percent or 1,306 returns); and 3) tax-exempt interest (10.7 percent or 1,175 returns).

Tables 7 and 8 in this article also classify tax returns by items having the largest and second largest effects in reducing or eliminating income tax. For returns on which each of the largest effects was identified, the tables show each of the second largest effects as well.¹¹ For example, Table 7 shows that on taxable returns with some U.S. income tax and expanded incomes of \$200,000 or more, the taxes paid deduction was the most important item 64.5 percent of the time. Where this was the primary item, the interest paid deduction was the second most important item 59.0 percent of the time, and the charitable contributions deduction was the second most important item 26.9 percent of the time. The foreign tax credit was the largest reason for non-taxability for both AGI (56.6 percent of the time) and expanded-income returns with no income tax (36.4 percent of the time). However, in determining worldwide tax, this no longer has an effect (by definition).

Figure H presents another way of illustrating the importance of selected tax provisions in reducing or eliminating income tax liability. It shows the number of high-expanded-income tax returns with no worldwide income tax utilizing selected tax provisions by the percentage of income reduced. For example, the itemized deduction for medical and dental expenses reduced

Figure G

Returns With Expanded Income of \$200,000 or More and No Worldwide Income Tax: Primary and Secondary Reasons for No Income Tax Liability, Tax Year 2015



[1] Includes 5 returns where the primary reason for nontaxability was not identified by the data items selected for this article. Does not include returns where there was no secondary reason for nontaxability.
 NOTES: Detail may not add to 100 percent because of rounding. See Figure M for the derivation of worldwide income tax. See Appendix A: Income Concepts of this article for a discussion of expanded income.
 SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, October 2018.

¹¹ Tax-exempt interest and the foreign-earned income exclusion were not included in Tables 7 and 8 as possible tax effects before Tax Year 1994. Thus, caution should be exercised in making comparisons with data prior to 1994 and after 1993.

Figure H

Returns With Expanded Income of \$200,000 or More and No Worldwide Income Tax: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, by Percentage of Income Reduced, Tax Year 2015

Type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentage of income		
			Under 30 percent	30 percent under 60 percent	60 percent or more
	(1)	(2)	(3)	(4)	(5)
Total itemized deductions	10,947	1,007	3,273	2,866	3,801
Interest paid deduction:					
Total	10,947	7,534	3,312	47	54
Investment interest expense deduction per income concept	10,947	8,456	2,435	28	28
Taxes paid deduction	10,947	1,062	9,036	582	267
Charitable contributions deduction	10,947	2,093	7,608	1,210	36
Medical and dental expense deduction	10,947	4,855	4,069	902	1,121
Net casualty or theft loss deduction	10,947	10,685	21	14	227
Net limited miscellaneous deduction per income concept	10,947	4,377	5,980	438	152
Nonlimited miscellaneous deduction	10,947	10,003	915	16	13
Deduction equivalent of:					
Total credits	10,947	10,247	414	157	129
Foreign tax credit	10,947	10,947	0	0	0
General business credit	10,947	10,742	82	90	33
Tax preferences excluded from adjusted gross income	10,947	1,874	2,842	2,350	3,881
Nontaxable Social Security benefits	10,947	4,744	6,200	3	0
Capital gains taxed at 0 percent	10,947	5,824	4,609	514	0

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of expanded income. See also Appendix B: Tax Concepts for a discussion of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, October 2018.

income by greater than 60 percent of expanded income on 1,121 (or 10.2 percent) of the 10,947 returns, but there were no medical and dental expense deductions on 4,855 returns or 44.4 percent. Conversely, the taxes paid deduction reduced expanded income between 0 and 30 percent on 9,036 (or 82.5 percent) of the 10,947 returns, but reduced income by greater than 60 percent on only 267 returns. These results are like those in Figure G. Tax preferences excluded from AGI, which included tax-exempt interest, reduced income by greater than 60 percent of expanded income on 3,881 (or 35.5 percent) of the 10,947 returns, more than any other item. In total, 9,073 returns (82.9 percent) had these tax preferences excluded from AGI. Only the taxes paid deduction was claimed by more returns with 9,885 (90.3 percent). Tables 9 and 10 report the frequencies of returns in finer detail by the percentage of income reduced.

Distribution of Tax Levels

Figure I presents the distribution of high-expanded-income returns by the ratio of “adjusted” worldwide taxable income to expanded income. Taxable income was adjusted for this figure by subtracting the deduction equivalents of tax credits and other items from taxable income.¹² Thus, the figure shows the extent

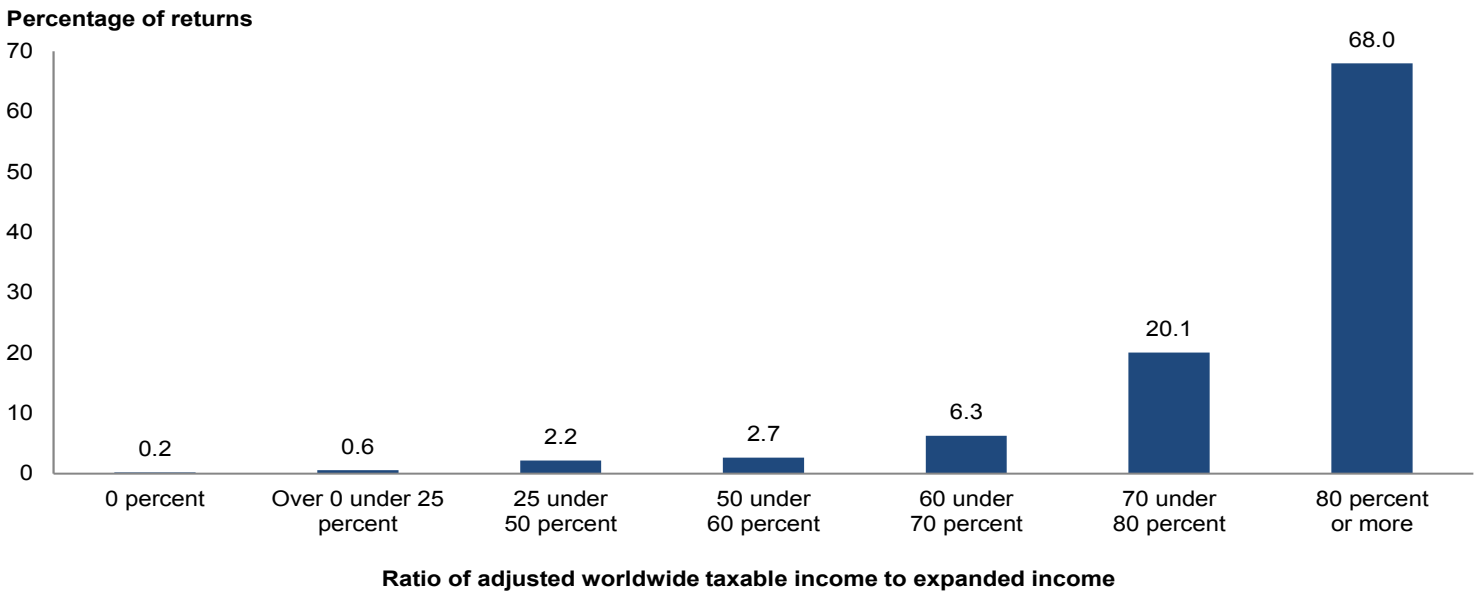
to which expanded income is reduced before taxes are imposed on the remaining income. The figure illustrates three important facts about high-income tax returns:

- Only a small portion of all high-income taxpayers did not pay any worldwide income taxes (0.2 percent).
- Another group of high-income taxpayers—small, but larger than the nontaxable group—could offset a very substantial fraction of income before being subject to tax. This type of high-income taxpayer pays income tax equal to only a small share of his or her income. Such taxpayers may be called “nearly nontaxable.” About 0.6 percent of high-expanded-income taxpayers who reported at least some worldwide tax liability were able to reduce their adjusted taxable income to less than 25 percent of their expanded income.
- Overall, most high-income taxpayers were subject to tax on a large share of their income (68.0 percent of high expanded-income taxpayers had adjusted taxable income equal to 80 percent or more of expanded income; and 97.1 percent had adjusted taxable income equal to 50 percent or more of expanded income).

¹² See Appendix B for a description of how the deduction equivalent of credits was computed.

Figure I

Distribution of Returns With Expanded Income of \$200,000 or More, by Ratio of Adjusted Worldwide Taxable Income to Expanded Income, Tax Year 2015



NOTES: Detail may not add to 100 percent because of rounding. See Appendix A: Income Concepts of this article for a discussion of expanded income.
SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, October 2018.

Figure J shows the distribution of all expanded-income returns by worldwide income tax burden. It classifies tax returns by size of expanded income and effective tax rate, i.e., income tax as a percentage of expanded income. This figure illustrates the wide dispersion of effective tax rates for all returns. For example, while 2.9 percent of returns with expanded incomes of \$200,000 or more had worldwide income tax of less than 10 percent of income, 20.4 percent had effective tax rates of 25 percent or more. Also, 27.7 percent had effective tax rates between 20 and 25 percent. In contrast, only 2.7 percent of taxpayers with an expanded income between \$100,000 and \$200,000 had effective tax rates of 20 percent or more, including only 0.1 percent with effective tax rates of 25 percent or more.

Characteristics of Tax Returns

By comparing high-income nontaxable returns with taxable returns, some of the different characteristics of nontaxable returns can be deduced. For example, under the expanded-income concept, returns without worldwide income tax were much more likely (82.8 percent) than taxable returns (24.8 percent) to have tax-exempt interest, and when they did, the average amount for nontaxable returns (\$230,825) was much higher than the average amount for all taxable returns (\$24,799) (Figure K). Similarly, nontaxable returns (30.3 percent) were much less likely than high-income taxable returns (87.2 percent) to have income from salaries and wages. Tables 5 and 6 show the aggregate frequencies and amounts of all the types of income, the items of tax preference, and the various deductions, credits, and income taxes on high-income returns.

More Detailed Data for 2015

Tables 1 through 12 present data based on income tax returns for 2015, mainly those with income of \$200,000 or more (measured in current-year dollars) of AGI or expanded income. Most of the data are shown for taxable and nontaxable returns, both separately and combined. The odd-numbered tables use the U.S. income tax concept to classify returns as taxable or nontaxable, whereas the even-numbered tables use the worldwide income tax concept. In summary, the tables show:

- The numbers of returns under the two tax concepts, cross-classified by broad AGI and expanded-income size classes (Tables 1 and 2);
- The distributions of taxable income as a percentage of AGI and expanded income (Tables 3 and 4);
- The frequencies and amounts of various sources of income, exclusions, deductions, taxes, and tax credits, as well as the relationship between the two income concepts (Tables 5 and 6);
- The frequencies with which various deductions and tax credits are the most important and second most important items in reducing (or eliminating) income tax (Tables 7 and 8);
- The frequencies with which various itemized deductions, tax credits, and tax preference items occur as certain percentages of income (Tables 9 and 10); and
- The distributions of effective tax rates, i.e., income tax under each definition as a percentage of income as well as the percentage of income that is subject to preferential tax rates, by broad income-size classes (Tables 11 and 12).

Figure J
Distribution of Effective Worldwide Income Tax Rate by Size of Expanded Income, Tax Year 2015



NOTES: Detail may not add to 100 percent because of rounding. See Figure M for the derivation of worldwide income tax. See Appendix A: Income Concepts of this article for a discussion of expanded income. SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, October 2018.

Figure K
Returns With Expanded Income of \$200,000 or More: Percentage and Average for Selected Items, Tax Year 2015

[Money amounts are in whole dollars]

Selected items	Returns with expanded income of \$200,000 or more			
	Returns with worldwide income tax		Returns without worldwide income tax	
	Percentage of returns	Average amount	Percentage of returns	Average amount
	(1)	(2)	(3)	(4)
Salaries and wages	87.2	309,433	30.3	122,219
Tax-exempt interest	24.8	24,799	82.8	230,825
Qualified dividends	65.2	30,895	85.1	62,426
Social Security benefits (nontaxable)	18.9	4,730	56.7	5,207
Medical and dental expense deduction	2.8	25,098	55.7	69,755
Net limited miscellaneous deductions per adjusted gross income concept	15.7	23,679	60.9	48,948

NOTES: There were 6,784,187 returns with expanded income of \$200,000 or more; 10,947 of these returns did not have any worldwide income tax. See Figure M for the derivation of worldwide income tax. See Appendix A: Income Concepts of this article for a discussion of expanded income.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, October 2018

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Appendix A: Income Concepts

Congress wanted data on high-income taxpayers classified by an income concept that was more comprehensive than adjusted gross income (AGI), but that was based entirely on items already reported on income tax returns. To derive such an income concept, it was necessary to begin with a broad, inclusive concept of income. AGI must then be compared to this broad income concept, and the differences, (both additions and subtractions) from items reported on tax returns, identified.

This appendix begins by defining “Haig-Simons income,” a very broad concept of income used by economists and others as a standard. AGI is then compared to Haig-Simons income, and the major differences between the two income concepts are listed. The next section defines “expanded income,” a more comprehensive income measure than AGI, based entirely on tax return data, and the final section explains in some detail the adjustment to income for investment expenses.

Haig-Simons Income

The broadest measure of annual income generally used by economists and others is defined as the value of a household’s consumption plus the change, if any, in its net worth. This income concept is referred to as Haig-Simons income, or H-S income, after the two economists who wrote extensively about it [A1]. The H-S income of a household that consumed \$25,000 and saved \$2,000 in a year would be \$27,000. Alternatively, the H-S income of a household that consumed \$25,000 and had no additions to savings, but had assets that declined in value by \$1,000 in a year, would be \$24,000.

H-S income consists of three broad components: labor income, capital income (income from assets), and income from transfer payments. The major elements of each of these three components are as follows:

Labor income—This includes all forms of employee compensation (including wages and salaries), employee fringe benefits (such as employer-provided health insurance and accrued pension benefits or contributions), and the employer share of payroll taxes (such as Social Security taxes). Labor income also includes the labor share of self-employment income. Expenses of earning labor income would be deducted in arriving at H-S income. Deferred labor income (such as pension benefits)

would be counted in the year it was earned, rather than in the year it was received.

Capital income—This includes all income from assets, including interest, dividends, rents, royalties, accrued capital gains (whether realized or not), the capital income share of self-employment income, and the rental value of consumer durables (most importantly, the rental value of owner-occupied housing). Capital income is measured in real (inflation-adjusted) terms and is net of real, economic depreciation and all other expenses (which could exceed capital income).

Transfer payments—These include payments in cash such as Social Security benefits, workers' compensation, unemployment benefits, Aid to Families with Dependent Children (AFDC), and noncash benefits (such as Medicare, Medicaid, and the Supplemental Nutrition Assistance Program (SNAP)).

For purposes of tax analysis, H-S income should be measured on a pretax basis, the amount that would be earned if there were no Federal income tax in place. Most items of income are unaffected, or little affected, by the income tax and so these are reported on a pretax basis. However, certain income items from tax-preferred sources may be reduced because of their preferential treatment. An example is interest from tax-exempt State and local Government bonds. The interest rate on tax-exempt bonds is generally lower than the interest rate on taxable bonds of the same maturity and risk, with the difference approximately equal to the tax rate of the typical investor in tax-exempt bonds. Thus, investors in tax-exempt bonds are effectively paying a tax, referred to as an "implicit tax," and tax-exempt interest as reported is measured on an after-tax, rather than a pretax, basis. Income from all tax-preferred sources should be "grossed up" by implicit taxes to measure H-S income properly.

Adjusted Gross Income

AGI is the statutory definition of income for Federal income tax purposes. AGI differs from H-S income by excluding some components of H-S income and by allowing accelerated business deductions and deductions unrelated to income, but also by disallowing or limiting certain expenses of earning income and certain losses. In addition, AGI is not "grossed up" for implicit taxes.

The components of H-S income excluded from AGI include most employee fringe benefits, the employer share of payroll taxes, accrued but deferred employee compensation, accrued but unrealized real capital gains, the rental value of consumer durables, nontaxable Social Security benefits, most other cash transfers, all noncash transfers, and the real income of borrowers due to inflation [A2].

Depreciation and certain other expenses allowed in determining AGI may be accelerated (relative to economic depreciation and other costs) in the early years of an investment, thus understating investment income. In later years, however, investment income in AGI will be overstated because depreciation and other accelerated expenses will then be understated. AGI also excludes some expenses not related to earning income, such as

contributions to self-employed retirement (Keogh) plans, deductible contributions to Individual Retirement Arrangements (IRAs), the portion of Social Security contributions for self-employed workers that is analogous to the employer share of such contributions for employees, and contributions to medical savings accounts.

AGI generally exceeds H-S income to the extent that expenses of earning income and losses are limited or disallowed. Most of the expenses of earning income are deductible from AGI in calculating taxable income, but only if the taxpayer "itemizes" deductions and then, in some cases, only to the extent that the sum of all such items exceeds 2 percent of AGI. Expenses incurred in the production of income that are itemized deductions include certain expenses of employees (such as union dues; expenditures for items used on the job but not reimbursed by the employer; and the employees' travel, meal, and entertainment expenses); and expenses attributable to a taxpayer's (passive) investments (as opposed to active participation in a trade or business, for example), including, but not limited to, interest expense incurred in connection with investments in securities [A3]. Note that there are limits on certain types of deductible expenses, e.g., deductible meal and entertainment expenses are limited to 50 percent of total meal and entertainment expenses.

Although net capital losses reduce economic income, only the first \$3,000 of net realized capital losses may be deducted in computing AGI. Any additional realized losses must be carried forward to future years. In a somewhat similar manner, passive losses (from investments in a trade or business in which the taxpayer does not materially participate) can also reduce economic income, but, in computing AGI, they can only be deducted from passive income from other, similar investments (although a larger amount may be deducted when the losses are from rental real estate activities).

AGI can also exceed H-S income because of differences in the timing of income between the two concepts. For example, a taxpayer may realize more capital gains in a year than he or she accrues in capital gains. Since AGI includes only realizations of capital gains, whereas H-S income includes only accruals, AGI in this circumstance would exceed H-S income.

Finally, just as AGI understates the income of borrowers due to inflation, it overstates the income of lenders, who include bond owners and owners of bank deposits.

Expanded Income

Expanded income is meant to be a measure of income that is conceptually closer to H-S income than AGI, but which is derived entirely from items already reported on income tax returns. Figure L shows the adjustments made to AGI to arrive at expanded income. Since the definition of AGI was changed by legislation several times since 1977, and certain reporting requirements also changed, the adjustments differ over the years, as indicated for each item [A4]. Most of these adjustments are relatively straightforward, but the adjustment for investment requires some explanation.

Figure L
Derivation of Expanded Income From Adjusted Gross Income,
Tax Years 1977–2015

Adjusted gross income (AGI)	
PLUS:	<ul style="list-style-type: none"> o Excluded capital gains (tax years prior to 1987) o Tax-exempt interest (1987 and later tax years) o Nontaxable Social Security benefits (1988 and later tax years) o Tax preferences for alternative minimum tax purposes [A5] o Foreign-earned income exclusion (1990 and later tax years)
MINUS:	<ul style="list-style-type: none"> o Unreimbursed employee business expenses [A4] o Nondeductible rental losses (Tax Years 1987 and 1988) o Moving expense deduction (Tax Years 1987 through 1993) [A4] o Investment interest expense deduction to the extent it does not exceed investment income o Miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor (1989 and later tax years)
EQUALS:	o Expanded income

NOTES: Footnotes to this figure are included with the footnotes to Appendix A: Income Concepts, which also includes an explanation of adjusted gross income and expanded income.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, October 2018.

Investment Expenses

In measuring H-S income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments, without limit. Investment expenses that exceed investment income would then represent net economic losses. However, such a liberal deduction for investment-related expenses is not necessarily correct when not all income items have been included currently. (Investment income includes interest, dividends, and capital gains.)

If all income has not been included currently, full deduction of investment expenses might represent a mismatching of receipts and expenses and might result in understating income. For example, if a taxpayer borrowed funds to purchase securities, net income would be understated if the taxpayer deducted all interest payments on the loan, but did not include as income any accrued gains on the securities. A similar mismatching of income and expenses would occur if investment expenses that should properly be capitalized were deducted when paid. In these instances, a more accurate measure of income might be obtained by postponing the deduction of the expense until the income was recognized for tax purposes.

Additional problems are created when a person with a loan has both income-producing assets, such as securities, and non-income-producing assets, such as a vacation home or yacht. It is not possible to determine what portion of the interest expense should be attributed to taxable income-producing assets, and, therefore, ought to be deductible against the gross receipts from such taxable assets. Because of these problems, it has been

necessary to set arbitrary limits on the amount of investment expenses that are deductible in calculating expanded income.

Investment expenses that have not been deducted in determining AGI generally can appear on a Federal individual income tax return in two places. Investment interest expense is accounted for in the calculation of the itemized deduction for interest paid. Deductible investment interest expense is a separate part of the total interest deduction. Other investment expenses, such as management fees, are included in the miscellaneous category of itemized deductions [A5]. Beginning with 1987, most types of income-producing expenses included as miscellaneous itemized deductions are only deductible to the extent that their total exceeds 2 percent of AGI. To determine expenses that should be deductible in calculating an approximation of H-S income, investment expenses have been defined as deductible investment interest expenses. Other investment expenses could not be separated from the remainder of miscellaneous deductions. Hence, they have not been used in the adjustment for investment expenses.

To the extent that interest expenses do not exceed investment income, they are generally allowed as a deduction in the computation of deductible investment interest expenses and thus expanded income. Investment interest expenses that exceed investment income are not deductible in calculating expanded income. One consequence of this definition is that investment expenses can never turn positive investment income into investment losses. Generally, allowing investment expenses to offset all investment income is generous and tends to understate broadly measured income. However, in some instances, limiting investment expenses to investment income may overstate income by disallowing genuine investment losses.

Notes to Appendix A

[A1] Haig, Robert M. (ed.), *The Federal Income Tax*, Columbia University Press, 1921, and Simons, Henry C., *Personal Income Taxation*, University of Chicago Press, 1938.

[A2] Borrowers receive income due to inflation because the real value of debt is reduced by inflation. Even though inflation may be anticipated and reflected in interest rates, tax deductions for nominal interest payments overstate interest costs because part of these payments represent a return of principal to the lender, rather than interest.

[A3] See references and footnote A4.

[A4] For 1977, about 50 percent of net long-term capital gains were included in AGI. During 1978, the inclusion ratio was changed to 40 percent. This inclusion ratio remained unchanged through 1986. Beginning with 1987, there was no exclusion allowed for capital gains in computing AGI, and, thus, this adjustment was not made in computing expanded income for returns for years after 1986.

Beginning in 1987, taxpayers were required to report on their Federal income tax returns the amount of their tax-exempt interest income from State and local Government

bonds. Since 1987, tax-exempt interest has been included in expanded income.

Taxpayers are also required to report Social Security benefits. Since 1988, nontaxable Social Security benefits have been included in expanded income. However, if none of a taxpayer's Social Security benefits are taxable, then gross Social Security benefits are not required to be shown on the income tax return. In such instances, which generally only affect lower- and middle-income taxpayers, Social Security benefits are not included in expanded income.

The subtraction of the unreimbursed employee business expense and the moving expense deductions is to make the concept of expanded income comparable to years prior to 1987. All current-year moving expenses beginning with Tax Year 1994 were deducted in the calculation of AGI as a statutory adjustment. Due to subtracting nonlimited miscellaneous deductions and not subtracting the nondeductible rental loss for 1989, the expanded income concept for 1989 is not strictly comparable to expanded income for 1988. Nor is the expanded income concept for 1990 strictly comparable to expanded income for 1989 because of the addition of the foreign-earned income exclusion. Specific details on the definition of expanded income for any given year are available in the reports and publications found under the References section.

[A5] Some income deferrals and accelerated expense deductions may also be involved in income or losses from rental property, from royalties, from partnerships, and from S Corporations, only the net amounts of which are included in adjusted gross income.

Appendix B: Tax Concepts

This appendix discusses in more detail two tax concepts used in this article. The first section provides a summary of the U.S. taxation of worldwide income and the foreign tax credit. The two tax concepts used in this article are then defined in the next section. That section is followed by an explanation of deduction equivalent of credits and other items. A final section discusses the possible implications of the use of unaudited tax return data for this article.

U.S. Taxation of Worldwide Income and the Foreign Tax Credit

Citizens and residents of the United States, regardless of where they physically reside, must generally include in income for Federal income tax purposes income from all geographic sources. Thus, for example, dividends and interest received from a foreign corporation or income earned working abroad is subject to Federal income tax in the same manner as income received from sources inside the United States [B1]. Income from sources outside the United States may also be subject to tax by foreign governments.

To reduce, if not eliminate, the possibility of double taxation of the foreign-source income of U.S. citizens and residents, the Federal income tax allows a credit for income taxes paid to

foreign governments. This foreign tax credit is generally limited to the amount of (pre-credit) U.S. tax liability attributable to foreign-source income. This limit prevents the foreign tax credit from offsetting the U.S. tax on U.S.-source income.

Due to taxing citizens and residents on a worldwide basis but allowing a foreign tax credit, some Federal income tax returns may report substantial income but little or no U.S. tax liability after credits. This may occur, for example, if a taxpayer has income only from foreign sources, e.g., the taxpayer may live abroad the entire year and have no income-producing assets in the United States. It may also occur if a taxpayer has foreign-source income that exceeds a net loss from U.S. sources and pays income taxes comparable to the U.S. tax to a foreign government [B2].

For taxpayers with income from foreign sources, these procedures understate the taxpayers' true worldwide income tax liabilities and effective income tax rates. For such taxpayers, it does not seem appropriate to classify U.S. income tax credits for foreign tax payments as reducing tax liabilities. This is particularly true for tax filers who appear to be nontaxable because they do not have any U.S. tax liability, but who have paid foreign income taxes. A more accurate measure of overall income tax burden, as well as the numbers of nontaxable returns, can be obtained by considering all income taxes—U.S. as well as foreign. Thus, a second tax concept, worldwide income tax, has been used in addition to the traditional U.S. income tax.

Two Tax Concepts

Two tax concepts are used in this article to classify tax returns as taxable (i.e., returns showing an income tax liability) or nontaxable (i.e., returns showing no income tax liability) and to measure the tax burdens on taxable returns: U.S. income tax and worldwide income tax. Worldwide income tax is defined for purposes of this article as U.S. income tax, *plus* the foreign tax credits reported on the U.S. income tax return, and foreign taxes paid on excluded foreign-earned income (obtained from Form 1116, *Foreign Tax Credit*). The amount of the foreign tax credits and foreign taxes paid on excluded foreign-earned income is used as a proxy for foreign tax liabilities [B3]. The relationship of U.S. income tax to tax items reported on individual income tax returns, and to worldwide income tax, is shown in Figure M.

Comparing Exclusions, Deductions, Tax Credits, and Special Tax Computations

To compare the importance of various exclusions, deductions, tax credits, and special tax computations (such as the alternative minimum tax on tax preferences), the different types of items must be placed on the same basis. One way of doing so is to calculate the size of the deduction that would reduce (or increase) income tax by the same amount as a tax credit or special computation. This amount is called the "deduction equivalent" of the tax credit or special computation.

The deduction equivalent of a tax credit or a special tax computation is the difference between the taxable income that, using the ordinary tax rate schedules, would yield the actual tax before the provision in question is considered and the actual

Figure M
Derivation of “U.S. Income Tax” and “Worldwide Income Tax,”
Tax Year 2015

Tax at regular rates (tax generated)	
PLUS:	Additional taxes (such as tax on accumulation distributions from qualified retirement plans, Form 4972)
PLUS:	Alternative minimum tax (Form 6251)
PLUS:	Excess advance premium tax credit repayment
EQUALS:	Income tax before credits
MINUS:	Excess advance premium tax credit repayment
MINUS:	Tax credits (nonrefundable)
PLUS:	Net investment tax
MINUS:	Refundable tax credits [1]
EQUALS:	U.S. individual income tax
PLUS:	Foreign tax credit
PLUS:	Foreign taxes paid on excluded foreign-earned income (Form 1116)
EQUALS:	Worldwide income tax

[1] Includes the earned income credit, additional child tax credit, refundable American opportunity credit, regulated investment company credit, net premium tax credit, and the health insurance credit.
 NOTE: See Appendix B: Tax Concepts for further discussion of the information in this figure.
 SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, October 2018.

tax after the provision. For example, the “deduction equivalent of all tax credits” is equal to the difference between “taxable income that would yield income tax before credits” and “taxable income that would yield income tax after credits.”

Using this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated may affect the value of their deduction equivalents. Because the tax rate schedules are progressive, with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first, unless all relevant taxable income amounts are within a single tax-rate bracket.

The deduction equivalents of tax credits shown in Tables 9 and 10 were computed by assuming that deductions and exclusions reduce taxes before credits. As a result, the deduction equivalent of tax credits may be overstated.

Unaudited Data

Tax return data used for Statistics of Income have been tabulated as they were reported on tax returns filed with the Internal Revenue Service (IRS). Certain obvious arithmetic errors have been corrected and certain adjustments have been made to achieve consistent statistical definitions. Otherwise, the data have not been altered. Specifically, the data do not reflect any changes that either may have or could have been made because of IRS audits. While this is true of data throughout the entire Statistics of Income program, it is particularly relevant for high-income tax returns. Because of the greater complexity of these returns, there is a higher probability of error and a broader scope for disagreement about the proper interpretation of tax laws.

The fact that the data have been drawn from unaudited returns is of even greater importance for those high-income returns that are nontaxable. Almost any audit changes would make such returns taxable. Even where the tax consequences are minor, such returns could be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

Notes to Appendix B

[B1] An exception is that certain income earned abroad may be excluded from AGI. Any foreign taxes paid on such income are not creditable against U.S. income tax. The tables in this article include such excluded income in expanded income. Foreign taxes paid on such income are reflected in worldwide income tax, as discussed later.

[B2] Although the foreign tax credit is an item of tax preference for AMT purposes, taxpayers below the AMT exclusion thresholds, or with preferences or deductions not subject to AMT, could completely offset pre-credit U.S. income tax liability with foreign tax credits.

[B3] Where foreign tax rates exceed U.S. rates, foreign tax credits will be less than foreign tax liabilities. In such cases, using foreign tax credits as a proxy for foreign tax liabilities understates worldwide income tax liability. In other cases, when foreign tax credits are for taxes paid on income from previous years, use of foreign tax credits as a proxy may overstate or understate worldwide taxes on current-year income.

Justin Bryan is an economist with the Individual and Tax Exempt Special Studies Section. This article was prepared under the direction of Michael Strudler, Chief, Individual Returns Processing and Data Perfection Section.

Table 1. Individual Income Tax Returns With and Without U.S. Income Tax Liability: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2015

[All figures are estimates based on samples]

Returns by tax status, size of expanded income	All returns	Returns by size of adjusted gross income			
		Under \$50,000 [1]	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total	150,493,263	92,406,915	32,801,909	18,532,593	6,751,845
Under \$50,000 [1]	89,929,787	89,069,588	841,825	12,822	5,551
\$50,000 under \$100,000	35,234,743	3,266,410	31,430,029	532,769	5,535
\$100,000 under \$200,000	18,544,547	66,846	524,008	17,823,583	130,110
\$200,000 or more	6,784,187	4,071	6,047	163,419	6,610,649
Returns with U.S. income tax					
Total	99,040,729	42,651,418	31,246,190	18,402,358	6,740,763
Under \$50,000 [1]	40,905,348	40,194,371	698,462	8,158	4,357
\$50,000 under \$100,000	33,004,918	2,426,266	30,047,337	525,947	5,369
\$100,000 under \$200,000	18,368,572	29,278	496,933	17,712,640	129,721
\$200,000 or more	6,761,890	1,503	3,458	155,612	6,601,316
Returns without U.S. income tax					
Total	51,452,534	49,755,497	1,555,719	130,235	11,082
Under \$50,000 [1]	49,024,438	48,875,217	143,363	4,664	1,194
\$50,000 under \$100,000	2,229,824	840,144	1,382,692	6,822	166
\$100,000 under \$200,000	175,975	37,568	27,074	110,943	389
\$200,000 or more	22,297	2,568	2,589	7,806	9,333

[1] Includes returns with adjusted gross deficit or with negative expanded income.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2018.

Table 2. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2015

[All figures are estimates based on samples]

Returns by tax status, size of expanded income	All returns	Returns by size of adjusted gross income			
		Under \$50,000 [1]	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
All returns					
Total	150,493,263	92,406,915	32,801,909	18,532,593	6,751,845
Under \$50,000 [1]	89,929,787	89,069,588	841,825	12,822	5,551
\$50,000 under \$100,000	35,234,743	3,266,410	31,430,029	532,769	5,535
\$100,000 under \$200,000	18,544,547	66,846	524,008	17,823,583	130,110
\$200,000 or more	6,784,187	4,071	6,047	163,419	6,610,649
Returns with worldwide income tax					
Total	99,239,060	42,768,580	31,291,300	18,431,709	6,747,472
Under \$50,000 [1]	40,996,832	40,285,851	698,462	8,158	4,360
\$50,000 under \$100,000	33,055,093	2,440,602	30,083,165	525,947	5,379
\$100,000 under \$200,000	18,413,896	40,287	505,340	17,738,465	129,803
\$200,000 or more	6,773,240	1,839	4,332	159,138	6,607,930
Returns without worldwide income tax					
Total	51,254,202	49,638,336	1,510,609	100,884	4,373
Under \$50,000 [1]	48,932,955	48,783,737	143,363	4,664	1,191
\$50,000 under \$100,000	2,179,650	825,808	1,346,864	6,822	156
\$100,000 under \$200,000	130,651	26,559	18,667	85,117	307
\$200,000 or more	10,947	2,232	1,715	4,281	2,719

[1] Includes returns with adjusted gross deficit or with negative expanded income.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2018.

Table 3. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept, Tax Year 2015

[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income concept			Expanded income concept		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	6,751,845	100.0	100.0	6,784,187	100.0	100.0
Returns without U.S. income tax	11,082	0.2	0.2	22,297	0.3	0.3
Returns with U.S. income tax: Total	6,740,763	99.8	N/A	6,761,890	99.7	N/A
Ratio of adjusted taxable income to income per concept:						
Over 0 under 5 percent	18,825	0.3	0.3	21,521	0.3	0.3
5 under 10 percent	14,519	0.2	0.5	17,965	0.3	0.6
10 under 15 percent	13,016	0.2	0.7	14,197	0.2	0.8
15 under 20 percent	10,443	0.2	0.8	16,296	0.2	1.0
20 under 25 percent	11,216	0.2	1.0	16,354	0.2	1.3
25 under 30 percent	15,126	0.2	1.2	22,981	0.3	1.6
30 under 35 percent	17,558	0.3	1.5	23,842	0.4	2.0
35 under 40 percent	26,212	0.4	1.9	31,706	0.5	2.4
40 under 45 percent	31,398	0.5	2.3	42,252	0.6	3.1
45 under 50 percent	48,815	0.7	3.1	55,497	0.8	3.9
50 under 60 percent	163,529	2.4	5.5	192,735	2.8	6.7
60 under 70 percent	406,955	6.0	11.5	430,353	6.3	13.1
70 under 80 percent	1,421,473	21.1	32.6	1,370,349	20.2	33.3
80 percent or more	4,541,679	67.3	99.8	4,505,842	66.4	99.7

N/A—Not applicable.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2018.

Table 4. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept, Tax Year 2015

[All figures are estimates based on samples]

Tax status, ratio of adjusted taxable income to income per concept	Adjusted gross income concept			Expanded income concept		
	Number of returns	Percentage of total	Cumulative percentage of total	Number of returns	Percentage of total	Cumulative percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)
Total	6,751,845	100.0	100.0	6,784,187	100.0	100.0
Returns without worldwide income tax	4,373	0.1	0.1	10,947	0.2	0.2
Returns with worldwide income tax: Total	6,747,472	99.9	N/A	6,773,240	99.8	N/A
Ratio of adjusted taxable income to income per concept:						
Over 0 under 5 percent	5,410	0.1	0.1	4,339	0.1	0.1
5 under 10 percent	6,638	0.1	0.2	6,066	0.1	0.2
10 under 15 percent	6,987	0.1	0.3	8,791	0.1	0.3
15 under 20 percent	5,369	0.1	0.4	8,393	0.1	0.4
20 under 25 percent	7,090	0.1	0.5	12,188	0.2	0.6
25 under 30 percent	10,958	0.2	0.6	15,744	0.2	0.8
30 under 35 percent	11,867	0.2	0.8	17,858	0.3	1.1
35 under 40 percent	23,631	0.3	1.2	28,203	0.4	1.5
40 under 45 percent	27,254	0.4	1.6	36,006	0.5	2.0
45 under 50 percent	42,606	0.6	2.2	50,101	0.7	2.8
50 under 60 percent	150,061	2.2	4.4	181,263	2.7	5.4
60 under 70 percent	402,503	6.0	10.4	427,404	6.3	11.7
70 under 80 percent	1,399,003	20.7	31.1	1,361,706	20.1	31.8
80 percent or more	4,648,094	68.8	99.9	4,615,177	68.0	99.8

N/A—Not applicable.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2018.

Table 5. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2015

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept						
Salaries and wages	5,946,351	1,838,801,966	5,938,560	1,836,332,940	7,790	2,469,026
Business or profession:						
Net income	1,219,804	124,906,374	1,218,354	124,730,064	1,450	176,309
Net loss	392,244	8,773,496	391,504	8,731,401	740	42,095
Farm:						
Net income	50,244	4,363,714	50,167	4,358,603	77	5,111
Net loss	101,290	5,088,329	101,037	5,064,015	253	24,314
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,917,632	635,070,801	1,916,072	634,788,873	1,560	281,928
Net loss	536,919	52,729,709	535,164	52,268,778	1,755	460,931
Sales of capital assets:						
Net gain	2,979,046	599,931,293	2,975,926	599,248,408	3,120	682,885
Net loss	1,426,928	3,493,816	1,423,919	3,485,782	3,009	8,034
Sales of property other than capital assets:						
Net gain	336,429	24,751,357	335,664	24,704,744	765	46,613
Net loss	324,903	6,331,296	324,183	6,273,291	720	58,005
Taxable interest received	5,344,003	56,562,014	5,337,434	56,363,557	6,569	198,458
Tax-exempt interest	1,592,959	36,548,777	1,590,699	36,411,848	2,260	136,929
Dividends	4,486,657	165,587,889	4,481,241	165,146,929	5,416	440,960
Qualified dividends	4,340,388	134,347,577	4,335,599	134,020,366	4,789	327,211
Pensions and annuities in adjusted gross income	1,555,267	84,708,550	1,553,534	84,618,854	1,733	89,696
Rent:						
Net income	790,312	33,132,881	789,263	33,085,744	1,049	47,136
Net loss, total (deductible and nondeductible)	876,274	13,664,240	874,510	13,603,455	1,764	60,785
Nondeductible rental loss	680,273	8,791,131	678,937	8,754,874	1,336	36,257
Royalty:						
Net income	462,591	15,595,154	461,626	15,581,386	965	13,768
Net loss	29,716	212,955	29,631	212,444	85	511
Estate or trust:						
Net income	153,021	24,906,913	152,801	24,892,487	220	14,426
Net loss	20,569	3,677,001	20,480	3,662,720	89	14,281
State income tax refunds	2,431,655	14,262,375	2,430,266	14,236,664	1,389	25,711
Alimony received	12,625	2,132,939	12,607	2,130,334	18	2,605
Social Security benefits in adjusted gross income	1,188,592	31,735,511	1,186,433	31,674,905	2,158	60,607
Social Security benefits (nontaxable)	1,188,669	5,606,685	1,186,487	5,591,088	2,182	15,597
Unemployment compensation	135,279	756,233	135,208	754,285	71	1,949
Other income	884,135	23,749,527	882,341	23,461,351	1,794	288,175
Other loss	50,998	1,896,191	50,377	1,876,451	621	19,740
Foreign-earned income exclusion	41,686	3,776,335	39,786	3,585,931	1,900	190,404
Total income	6,751,845	3,658,196,787	6,740,763	3,653,699,240	11,082	4,497,547
Statutory adjustments, total	2,686,210	58,521,747	2,683,708	58,475,682	2,502	46,065
Payments to Individual Retirement Arrangements	166,430	1,584,953	166,259	1,583,496	171	1,457
Payments to self-employed retirement (Keogh) plans	492,896	17,169,929	492,745	17,164,742	151	5,187
Moving expenses adjustment	84,044	566,564	83,963	565,900	81	664
Adjusted gross income	6,751,845	3,599,675,040	6,740,763	3,595,223,558	11,082	4,451,482
Investment interest expense deduction	713,408	12,800,454	711,665	12,398,310	1,743	402,143
Total tax preferences excluded from adjusted gross income [2]	1,610,765	39,270,682	1,608,468	39,138,613	2,297	132,069
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	30,741	2,846,637	30,683	2,846,095	58	542
Passive activity loss (alternative minimum tax adjustment)	719,979	1,254,250	718,888	1,252,880	1,091	1,370

Footnotes at end of table.

Table 5. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2015—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded income	6,751,637	3,610,448,176	6,740,763	3,606,853,518	10,874	3,594,658
Exemption	4,975,208	50,951,651	4,966,805	50,868,968	8,403	82,683
Itemized deductions:						
Total per adjusted gross income concept	6,305,746	465,359,021	6,298,893	463,065,615	6,852	2,293,406
Charitable contributions deduction	5,805,019	114,704,523	5,799,919	114,488,072	5,100	216,452
Interest paid deduction:						
Total per adjusted gross income concept	5,078,167	81,698,480	5,073,428	81,199,130	4,739	499,351
Total home mortgage interest	4,852,652	68,631,856	4,848,613	68,535,229	4,039	96,626
Medical and dental expense deduction	168,740	4,650,125	167,231	4,479,269	1,509	170,855
Net casualty or theft loss deduction	3,999	397,678	3,751	267,380	248	130,299
Taxes paid deduction	6,299,645	270,225,071	6,293,249	269,918,443	6,396	306,628
Net limited miscellaneous deductions per adjusted gross income concept	1,118,131	26,123,592	1,115,626	25,913,980	2,505	209,612
Unlimited miscellaneous deductions	304,196	15,375,772	302,397	14,591,157	1,799	784,615
Excess of exemptions and deductions over adjusted gross income	9,347	2,546,918	6,913	2,034,398	2,434	512,520
Taxable income	6,742,471	3,080,378,300	6,733,848	3,077,837,105	8,623	2,541,195
Tax at regular rates	6,736,210	831,497,581	6,729,070	830,790,296	7,140	707,285
Alternative minimum tax (Form 6251)	3,711,883	29,198,168	3,711,606	29,196,039	277	2,128
Income tax before credits	6,745,287	860,738,188	6,738,102	860,028,728	7,185	709,460
Tax credits, total	3,088,982	25,106,987	3,081,796	24,397,364	7,185	709,623
Child care credit	657,247	376,571	657,154	376,530	93	40
Minimum tax credit	152,743	750,308	152,559	748,330	184	1,978
Foreign tax credit	2,288,752	20,037,708	2,282,044	19,340,594	6,708	697,114
General business credit	181,778	3,243,080	181,463	3,238,217	315	4,863
U.S. total income tax	6,740,763	857,650,398	6,740,763	857,650,398	0	0
Taxable income which would yield:						
Income tax before credits less excess advance PTC repayment [3]	6,744,984	2,860,226,236	6,737,800	2,857,778,312	7,184	2,447,924
Income tax after credits	6,728,793	2,790,307,655	6,728,793	2,790,307,655	0	0
U.S. total income tax	6,740,763	2,848,204,356	6,740,763	2,848,204,356	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	6,751,845	3,599,675,040	6,740,763	3,595,223,558	11,082	4,451,482
plus: Total tax preferences excluded from adjusted gross income [2]	1,610,765	39,270,682	1,608,468	39,138,613	2,297	132,069
Social Security benefits (nontaxable)	1,188,669	5,606,685	1,186,487	5,591,088	2,182	15,597
Foreign-earned income exclusion	41,686	3,776,335	39,786	3,585,931	1,900	190,404
minus: Investment interest expense deduction	713,408	12,800,454	711,665	12,398,310	1,743	402,143
Unlimited miscellaneous deductions	304,196	15,375,772	302,397	14,591,157	1,799	784,615
Unreimbursed employee business expenses	1,298,548	9,704,341	1,297,873	9,696,206	674	8,135
Equals: Expanded income	6,751,637	3,610,448,176	6,740,763	3,606,853,518	10,874	3,594,658

Footnotes at end of table.

Table 5. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2015—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept						
Salaries and wages	5,912,522	1,828,910,746	5,899,049	1,825,330,953	13,473	3,579,793
Business or profession:						
Net income	1,227,395	125,453,694	1,225,054	125,231,163	2,341	222,532
Net loss	385,784	8,629,305	384,524	8,519,202	1,260	110,103
Farm:						
Net income	50,525	4,412,100	50,403	4,406,732	122	5,368
Net loss	99,631	5,043,949	99,205	5,006,693	426	37,257
Partnership and S Corporation net income after Section 179 property						
Net income	1,932,692	635,192,046	1,929,883	634,903,789	2,808	288,257
Net loss	546,448	52,904,884	542,505	52,101,737	3,943	803,146
Sales of capital assets:						
Net gain	3,036,496	601,268,057	3,029,054	600,529,228	7,441	738,829
Net loss	1,454,092	3,571,785	1,446,815	3,551,880	7,277	19,905
Sales of property other than capital assets:						
Net gain	342,552	24,770,818	340,862	24,714,899	1,690	55,919
Net loss	329,340	6,314,694	327,871	6,237,169	1,469	77,525
Taxable interest received	5,418,798	56,855,229	5,402,682	56,580,335	16,116	274,894
Tax-exempt interest	1,687,790	43,721,131	1,677,826	41,547,141	9,963	2,173,990
Dividends	4,575,755	169,158,569	4,561,792	168,158,040	13,962	1,000,530
Qualified dividends	4,426,856	137,062,566	4,414,119	136,354,363	12,737	708,203
Pensions and annuities in adjusted gross income	1,616,205	88,046,973	1,611,815	87,892,972	4,390	154,001
Rent:						
Net income	802,930	33,386,190	800,819	33,321,975	2,111	64,215
Net loss, total (deductible and nondeductible)	879,544	13,677,712	876,217	13,583,621	3,327	94,091
Nondeductible rental loss	681,717	8,806,101	679,692	8,753,218	2,025	52,883
Royalty:						
Net income	483,496	15,856,352	480,993	15,838,448	2,503	17,903
Net loss	31,125	216,842	30,935	214,099	190	2,742
Estate or trust:						
Net income	158,783	24,952,035	158,128	24,930,233	655	21,802
Net loss	21,629	3,704,738	21,421	3,662,021	208	42,718
State income tax refunds	2,409,086	14,235,125	2,406,332	14,199,806	2,754	35,319
Alimony received	13,089	2,147,460	13,070	2,144,634	19	2,826
Social Security benefits in adjusted gross income	1,288,127	34,508,362	1,281,075	34,337,259	7,052	171,103
Social Security benefits (nontaxable)	1,288,232	6,096,822	1,281,130	6,061,084	7,102	35,738
Unemployment compensation	127,973	726,485	127,883	724,400	90	2,085
Other income	891,662	23,731,119	888,149	23,430,276	3,513	300,843
Other loss	64,273	2,190,964	62,593	2,150,163	1,680	40,801
Foreign-earned income exclusion	73,885	7,329,739	66,985	6,512,011	6,901	817,728
Total income	6,784,179	3,653,511,609	6,761,890	3,648,632,846	22,289	4,878,763
Statutory adjustments, total	2,693,432	58,755,476	2,689,063	58,690,541	4,369	64,935
Payments to Individual Retirement Arrangements	168,554	1,603,047	168,174	1,599,832	380	3,215
Payments to self-employed retirement (Keogh) plans	496,802	17,254,419	496,564	17,246,191	238	8,228
Moving expenses adjustment	81,738	540,237	81,596	539,155	142	1,082
Adjusted gross income	6,784,180	3,594,756,134	6,761,890	3,589,942,305	22,290	4,813,829
Investment interest expense deduction	718,216	11,885,766	715,208	11,661,810	3,008	223,956
Total tax preferences excluded from adjusted gross income [2]	1,706,897	46,796,378	1,696,909	44,620,348	9,988	2,176,030
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	34,154	3,163,114	34,039	3,160,131	115	2,984
Passive activity loss (alternative minimum tax adjustment)	736,008	1,357,769	733,530	1,354,494	2,478	3,275

Footnotes at end of table.

Table 5. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2015—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with U.S. income tax		Returns without U.S. income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded income	6,784,187	3,626,844,104	6,761,890	3,619,274,399	22,297	7,569,705
Exemption	5,013,622	50,862,084	4,993,483	50,671,921	20,140	190,163
Itemized deductions:						
Total per adjusted gross income concept	6,292,604	456,952,600	6,278,962	454,829,583	13,641	2,123,017
Total per expanded income concept	6,292,325	480,102,827	6,278,710	478,215,588	13,615	1,887,239
Charitable contributions deduction	5,794,409	114,982,431	5,783,215	114,644,888	11,193	337,542
Interest paid deduction:						
Total per adjusted gross income concept	5,032,336	80,085,444	5,024,608	79,731,587	7,728	353,857
Total per expanded income concept	4,808,882	68,199,678	4,802,831	68,069,777	6,051	129,901
Total home mortgage interest	4,797,855	67,939,449	4,791,844	67,810,203	6,010	129,246
Medical and dental expense deduction	196,565	5,205,577	190,066	4,772,158	6,499	433,419
Net casualty or theft loss deduction	3,720	391,912	3,451	259,384	269	132,528
Taxes paid deduction	6,286,330	270,380,734	6,273,270	269,865,932	13,060	514,802
Net limited miscellaneous deductions per adjusted gross income concept	1,068,272	25,464,418	1,060,668	25,119,833	7,604	344,585
Nonlimited miscellaneous deductions	275,617	8,192,878	274,500	8,170,102	1,117	22,777
Excess of exemptions and deductions over adjusted gross income	12,781	2,602,128	7,128	1,899,771	5,653	702,357
Taxable income	6,771,402	3,083,456,653	6,754,761	3,080,347,267	16,641	3,109,386
Tax at regular rates	6,762,084	831,961,936	6,750,193	831,132,450	11,892	829,486
Alternative minimum tax (Form 6251)	3,675,696	29,136,208	3,675,341	29,134,029	355	2,179
Income tax before credits	6,772,162	861,140,696	6,760,181	860,308,982	11,982	831,714
Tax credits, total	3,148,575	25,663,867	3,136,593	24,831,982	11,982	831,886
Child care credit	641,334	367,392	641,202	367,336	132	56
Minimum tax credit	153,720	751,722	153,383	749,515	337	2,208
Foreign tax credit	2,365,237	20,603,724	2,353,897	19,785,492	11,340	818,232
General business credit	183,214	3,243,679	182,833	3,238,832	381	4,847
U.S. total income tax	6,761,890	857,487,601	6,761,890	857,487,601	0	0
Taxable income which would yield:						
Income tax before credits less excess advance PTC repayment [3]	6,772,150	2,862,196,642	6,760,181	2,859,166,216	11,970	3,030,425
Income tax after credits	6,750,330	2,789,869,037	6,750,330	2,789,869,037	0	0
U.S. total income tax	6,761,890	2,847,734,525	6,761,890	2,847,734,525	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	6,784,180	3,594,756,134	6,761,890	3,589,942,305	22,290	4,813,829
plus: Total tax preferences excluded from adjusted gross income [2]	1,706,897	46,796,378	1,696,909	44,620,348	9,988	2,176,030
Social Security benefits (nontaxable)	1,288,232	6,096,822	1,281,130	6,061,084	7,102	35,738
Foreign-earned income exclusion	73,885	7,329,739	66,985	6,512,011	6,901	817,728
minus: Investment interest expense deduction	718,216	11,885,766	715,208	11,661,810	3,008	223,956
Nonlimited miscellaneous deductions	275,617	8,192,878	274,500	8,170,102	1,117	22,777
Unreimbursed employee business expenses	1,205,725	8,034,073	1,204,727	8,027,301	997	6,772
Equals: Expanded income	6,784,187	3,626,844,104	6,761,890	3,619,274,399	22,297	7,569,705

[1] Section 179 of the Internal Revenue Code permits certain taxpayers to elect to deduct all or part - of the cost of certain qualifying property in the year they place it in service, instead of taking depreciation deductions over a specified recovery period.

[2] Includes tax-exempt interest and tax preference items subject to alternative minimum tax.

[3] Excess advance premium tax credit repayment is included in income tax before credits on Form 1040 but is subtracted here because it is not considered a part of income tax since it is not based on earned income.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2018.

Table 6. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2015

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted Gross Income Concept						
Salaries and wages	5,946,351	1,838,801,966	5,944,446	1,838,539,027	1,905	262,940
Business or profession:						
Net income	1,219,804	124,906,374	1,219,109	124,863,347	695	43,027
Net loss	392,244	8,773,496	391,774	8,740,774	470	32,722
Farm:						
Net income	50,244	4,363,714	50,183	4,359,203	61	4,511
Net loss	101,290	5,088,329	101,154	5,068,930	136	19,399
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,917,632	635,070,801	1,916,600	634,930,725	1,032	140,076
Net loss	536,919	52,729,709	535,590	52,348,766	1,329	380,942
Sales of capital assets:						
Net gain	2,979,046	599,931,293	2,976,908	599,450,633	2,138	480,661
Net loss	1,426,928	3,493,816	1,425,707	3,490,357	1,221	3,459
Sales of property other than capital assets:						
Net gain	336,429	24,751,357	335,800	24,710,397	629	40,960
Net loss	324,903	6,331,296	324,369	6,282,264	534	49,032
Taxable interest received	5,344,003	56,562,014	5,340,681	56,387,925	3,322	174,089
Tax-exempt interest	1,592,959	36,548,777	1,591,087	36,421,765	1,872	127,012
Dividends	4,486,657	165,587,889	4,483,709	165,285,723	2,948	302,166
Qualified dividends	4,340,388	134,347,577	4,337,534	134,121,230	2,854	226,347
Pensions and annuities in adjusted gross income	1,555,267	84,708,550	1,554,005	84,646,290	1,262	62,260
Rent:						
Net income	790,312	33,132,881	789,731	33,106,633	581	26,247
Net loss, total (deductible and nondeductible)	876,274	13,664,240	875,630	13,634,820	644	29,421
Nondeductible rental loss	680,273	8,791,131	679,864	8,779,094	409	12,037
Royalty:						
Net income	462,591	15,595,154	461,805	15,584,571	786	10,583
Net loss	29,716	212,955	29,645	212,649	71	306
Estate or trust:						
Net income	153,021	24,906,913	152,849	24,896,230	172	10,683
Net loss	20,569	3,677,001	20,495	3,663,149	74	13,852
State income tax refunds	2,431,655	14,262,375	2,430,639	14,239,130	1,016	23,245
Alimony received	12,625	2,132,939	12,617	2,132,576	8	363
Social Security benefits in adjusted gross income	1,188,592	31,735,511	1,186,717	31,681,491	1,874	54,020
Social Security benefits (nontaxable)	1,188,669	5,606,685	1,186,795	5,592,674	1,874	14,011
Unemployment compensation	135,279	756,233	135,233	755,846	46	387
Other income	884,135	23,749,527	883,162	23,553,412	973	196,115
Other loss	50,998	1,896,191	50,943	1,894,183	55	2,009
Foreign-earned income exclusion	41,686	3,776,335	41,677	3,775,632	9	703
Total income	6,751,845	3,658,196,787	6,747,472	3,656,365,502	4,373	1,831,286
Statutory adjustments, total	2,686,210	58,521,747	2,684,645	58,493,094	1,565	28,654
Payments to Individual Retirement Arrangements	166,430	1,584,953	166,350	1,584,229	80	723
Payments to self-employed retirement (Keogh) plans	492,896	17,169,929	492,800	17,166,646	96	3,283
Moving expenses adjustment	84,044	566,564	84,027	566,334	17	230
Adjusted gross income	6,751,845	3,599,675,040	6,747,472	3,597,872,408	4,373	1,802,632
Investment interest expense deduction	713,408	12,800,454	712,062	12,409,189	1,346	391,265
Total tax preferences excluded from adjusted gross income [2]	1,610,765	39,270,682	1,608,862	39,148,490	1,903	122,192
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	30,741	2,846,637	30,691	2,846,133	50	504
Passive activity loss (alternative minimum tax adjustment)	719,979	1,254,250	719,180	1,252,819	799	1,431

Footnotes at end of table.

Table 6. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2015—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded income	6,751,637	3,610,448,176	6,747,472	3,609,682,427	4,165	765,749
Exemption	4,975,208	50,951,651	4,971,509	50,914,527	3,699	37,124
Itemized deductions:						
Total per adjusted gross income concept	6,305,746	465,359,021	6,301,410	463,206,651	4,336	2,152,370
Charitable contributions deduction	5,805,019	114,704,523	5,801,530	114,527,609	3,489	176,915
Interest paid deduction:						
Total per adjusted gross income concept	5,078,167	81,698,480	5,075,439	81,243,067	2,728	455,414
Total home mortgage interest	4,852,652	68,631,856	4,850,484	68,568,182	2,168	63,673
Medical and dental expense deduction	168,740	4,650,125	167,362	4,482,613	1,378	167,512
Net casualty or theft loss deduction	3,999	397,678	3,757	268,742	242	128,937
Taxes paid deduction	6,299,645	270,225,071	6,295,401	269,959,454	4,244	265,617
Net limited miscellaneous deductions per adjusted gross income concept	1,118,131	26,123,592	1,116,152	25,926,044	1,979	197,548
Nonlimited miscellaneous deductions	304,196	15,375,772	302,555	14,597,942	1,641	777,830
Excess of exemptions and deductions over adjusted gross income	9,347	2,546,918	6,915	2,034,572	2,432	512,346
Taxable income	6,742,471	3,080,378,300	6,740,554	3,080,257,382	1,917	120,918
Tax at regular rates	6,736,210	831,497,581	6,735,776	831,490,331	434	7,250
Alternative minimum tax (Form 6251)	3,711,883	29,198,168	3,711,725	29,196,711	158	1,456
Income tax before credits	6,745,287	860,738,188	6,744,808	860,729,481	479	8,706
Tax credits, total	3,088,982	25,106,987	3,088,502	25,098,227	479	8,760
Child care credit	657,247	376,571	657,210	376,550	37	21
Minimum tax credit	152,743	750,308	152,649	748,697	94	1,611
General business credit	181,778	3,243,080	181,581	3,239,620	197	3,460
Worldwide total income tax	6,747,472	878,107,634	6,747,472	878,107,634	0	0
Foreign taxes paid [3]	2,288,896	20,457,244	** 2,288,896	** 20,457,244	**	**
Foreign taxes paid on excluded foreign-earned income (Form 1116)	10,921	419,536	10,921	419,536	0	0
Taxable income which would yield:						
Income tax before credits less excess advance PTC repayment [4]	6,744,984	2,860,226,236	6,744,506	2,860,180,028	478	46,208
Income tax after credits [3]	6,744,367	2,847,126,255	** 6,744,367	** 2,847,126,255	**	**
Worldwide total income tax [3]	6,747,474	2,904,729,633	** 6,747,474	** 2,904,729,633	**	**
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	6,751,845	3,599,675,040	6,747,472	3,597,872,408	4,373	1,802,632
plus: Total tax preferences excluded from adjusted gross income [2]	1,610,765	39,270,682	1,608,862	39,148,490	1,903	122,192
Social Security benefits (nontaxable)	1,188,669	5,606,685	1,186,795	5,592,674	1,874	14,011
Foreign-earned income exclusion	41,686	3,776,335	41,677	3,775,632	9	703
minus: Investment interest expense deduction	713,408	12,800,454	712,062	12,409,189	1,346	391,265
Nonlimited miscellaneous deductions	304,196	15,375,772	302,555	14,597,942	1,641	777,830
Unreimbursed employee business expenses	1,298,548	9,704,341	1,298,182	9,699,647	366	4,694
Equals: Expanded income	6,751,637	3,610,448,176	6,747,472	3,609,682,427	4,165	765,749

Footnotes at end of table.

Table 6. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2015—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded Income Concept						
Salaries and wages	5,912,522	1,828,910,746	5,909,204	1,828,505,225	3,318	405,522
Business or profession:						
Net income	1,227,395	125,453,694	1,226,272	125,399,451	1,123	54,243
Net loss	385,784	8,629,305	384,924	8,530,023	860	99,283
Farm:						
Net income	50,525	4,412,100	50,425	4,407,558	100	4,542
Net loss	99,631	5,043,949	99,348	5,012,106	283	31,843
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,932,692	635,192,046	1,930,596	635,052,565	2,095	139,481
Net loss	546,448	52,904,884	543,163	52,188,274	3,285	716,609
Sales of capital assets:						
Net gain	3,036,496	601,268,057	3,030,869	600,749,952	5,626	518,105
Net loss	1,454,092	3,571,785	1,449,575	3,558,854	4,517	12,931
Sales of property other than capital assets:						
Net gain	342,552	24,770,818	341,064	24,720,346	1,488	50,472
Net loss	329,340	6,314,694	328,157	6,249,344	1,183	65,350
Taxable interest received	5,418,798	56,855,229	5,408,717	56,612,550	10,081	242,679
Tax-exempt interest	1,687,790	43,721,131	1,678,730	41,630,091	9,059	2,091,040
Dividends	4,575,755	169,158,569	4,566,011	168,333,872	9,744	824,697
Qualified dividends	4,426,856	137,062,566	4,417,539	136,480,947	9,317	581,619
Pensions and annuities in adjusted gross income	1,616,205	88,046,973	1,612,900	87,938,399	3,305	108,574
Rent:						
Net income	802,930	33,386,190	801,642	33,346,883	1,288	39,308
Net loss, total (deductible and nondeductible)	879,544	13,677,712	878,155	13,627,108	1,389	50,604
Nondeductible rental loss	681,717	8,806,101	681,029	8,783,898	688	22,203
Royalty:						
Net income	483,496	15,856,352	481,301	15,842,084	2,195	14,268
Net loss	31,125	216,842	30,961	214,599	164	2,242
Estate or trust:						
Net income	158,783	24,952,035	158,217	24,934,728	566	17,308
Net loss	21,629	3,704,738	21,442	3,662,460	187	42,279
State income tax refunds	2,409,086	14,235,125	2,406,923	14,203,566	2,163	31,559
Alimony received	13,089	2,147,460	13,080	2,146,876	9	584
Social Security benefits in adjusted gross income	1,288,127	34,508,362	1,281,927	34,351,505	6,200	156,857
Social Security benefits (nontaxable)	1,288,232	6,096,822	1,282,029	6,064,523	6,203	32,299
Unemployment compensation	127,973	726,485	127,927	726,089	46	395
Other income	891,662	23,731,119	889,362	23,534,522	2,300	196,597
Other loss	64,273	2,190,964	63,896	2,184,727	377	6,237
Foreign-earned income exclusion	73,885	7,329,739	73,196	7,200,845	689	128,895
Total income	6,784,179	3,653,511,609	6,773,240	3,651,876,646	10,939	1,634,964
Statutory adjustments, total	2,693,432	58,755,476	2,690,579	58,714,067	2,853	41,409
Payments to Individual Retirement Arrangements	168,554	1,603,047	168,382	1,601,523	172	1,524
Payments to self-employed retirement (Keogh) plans	496,802	17,254,419	496,634	17,248,531	168	5,888
Moving expenses adjustment	81,738	540,237	81,713	539,876	25	361
Adjusted gross income	6,784,180	3,594,756,134	6,773,240	3,593,162,579	10,940	1,593,555
Investment interest expense deduction	718,216	11,885,766	715,717	11,667,490	2,499	218,276
Total tax preferences excluded from adjusted gross income [2]	1,706,897	46,796,378	1,697,814	44,703,796	9,083	2,092,582
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	34,154	3,163,114	34,053	3,160,655	101	2,459
Passive activity loss (alternative minimum tax adjustment)	736,008	1,357,769	734,053	1,354,550	1,955	3,219

Footnotes at end of table.

Table 6. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2015—Continued

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

Income concept, item	Returns with income of \$200,000 or more					
	Total		Returns with worldwide income tax		Returns without worldwide income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Expanded income	6,784,187	3,626,844,104	6,773,240	3,623,257,902	10,947	3,586,202
Exemption	5,013,622	50,862,084	5,002,833	50,764,604	10,789	97,480
Itemized deductions:						
Total per adjusted gross income concept	6,292,604	456,952,600	6,282,649	455,006,323	9,954	1,946,277
Total per expanded income concept	6,292,325	480,102,827	6,282,371	478,387,706	9,954	1,715,121
Charitable contributions deduction	5,794,409	114,982,431	5,785,546	114,693,348	8,863	289,083
Interest paid deduction:						
Total per adjusted gross income concept	5,032,336	80,085,444	5,027,465	79,782,009	4,871	303,434
Total per expanded income concept	4,808,882	68,199,678	4,805,467	68,114,519	3,415	85,159
Total home mortgage interest	4,797,855	67,939,449	4,794,475	67,854,786	3,380	84,664
Medical and dental expense deduction	196,565	5,205,577	190,471	4,780,491	6,094	425,087
Net casualty or theft loss deduction	3,720	391,912	3,458	260,767	262	131,145
Taxes paid deduction	6,286,330	270,380,734	6,276,434	269,919,865	9,896	460,869
Net limited miscellaneous deductions per adjusted gross income concept	1,068,272	25,464,418	1,061,603	25,137,984	6,669	326,434
Nonlimited miscellaneous deductions	275,617	8,192,878	274,671	8,173,136	946	19,742
Excess of exemptions and deductions over adjusted gross income	12,781	2,602,128	7,206	1,901,279	5,575	700,850
Taxable income	6,771,402	3,083,456,653	6,766,033	3,083,221,876	5,369	234,777
Tax at regular rates	6,762,084	831,961,936	6,761,461	831,954,499	623	7,436
Alternative minimum tax (Form 6251)	3,675,696	29,136,208	3,675,491	29,134,841	205	1,367
Income tax before credits	6,772,162	861,140,696	6,771,457	861,131,892	705	8,803
Tax credits, total	3,148,575	25,663,867	3,147,869	25,655,027	705	8,841
Child care credit	641,334	367,392	641,295	367,366	39	25
Minimum tax credit	153,720	751,722	153,579	750,042	141	1,681
General business credit	183,214	3,243,679	183,008	3,240,458	206	3,221
Worldwide total income tax	6,773,240	878,762,129	6,773,240	878,762,129	0	0
Foreign taxes paid [3]	2,365,451	21,274,549	2,365,388	21,274,539	63	10
Foreign taxes paid on excluded foreign-earned income (Form 1116)	19,117	670,825	19,117	670,825	0	0
Taxable income which would yield:						
Income tax before credits	6,772,150	2,862,196,642	6,771,449	2,862,147,849	701	48,792
Income tax after credits [3]	6,771,372	2,849,955,035	6,771,309	2,849,954,934	63	100
Worldwide total income tax [3]	6,773,303	2,907,516,432	6,773,240	2,907,516,331	63	100
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	6,784,180	3,594,756,134	6,773,240	3,593,162,579	10,940	1,593,555
plus: Total tax preferences excluded from adjusted gross income [2]	1,706,897	46,796,378	1,697,814	44,703,796	9,083	2,092,582
Social Security benefits (nontaxable)	1,288,232	6,096,822	1,282,029	6,064,523	6,203	32,299
Foreign-earned income exclusion	73,885	7,329,739	73,196	7,200,845	689	128,895
minus: Investment interest expense deduction	718,216	11,885,766	715,717	11,667,490	2,499	218,276
Nonlimited miscellaneous deductions	275,617	8,192,878	274,671	8,173,136	946	19,742
Unreimbursed employee business expenses	1,205,725	8,034,073	1,205,136	8,031,049	589	3,024
Equals: Expanded income	6,784,187	3,626,844,104	6,773,240	3,623,257,902	10,947	3,586,202

** Data combined to avoid disclosure of information for specific taxpayers.

[1] Section 179 of the Internal Revenue Code permits certain taxpayers to elect to deduct all or part of the cost of certain qualifying property in the year they place it in service, instead of taking depreciation deductions over a specified recovery period.

[2] Includes tax-exempt interest and tax preference items subject to alternative minimum tax.

[3] For returns without worldwide income tax, refundable credits offset the amount of foreign taxes paid.

[4] Excess advance premium tax credit repayment is included in income tax before credits on Form 1040 but is subtracted here because it is not considered a part of income tax since it is not based on earned income.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2018.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2015

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction [3]		Investment interest expense deduction [1, 3]		Taxes paid deduction [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETURNS WITH U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	6,492,512	100.0	831,301	12.8	31,637	0.5	4,382,412	67.5
Interest paid deduction	2,661,208	41.0	0	0.0	2,546	8.0	2,516,497	57.4
Investment interest expense deduction [1]	55,894	0.9	2,001	0.2	0	0.0	43,019	1.0
Taxes paid deduction	1,504,933	23.2	758,965	91.3	19,802	62.6	0	0.0
Charitable contributions deduction	1,408,308	21.7	50,990	6.1	** 3,719	** 11.8	1,304,199	29.8
Medical and dental expense deduction	37,788	0.6	1,978	0.2	**	**	** 27,233	** 0.6
Net casualty or theft loss deduction	1,127	[4]	**	**	0	0.0	**	**
Total miscellaneous deductions	299,331	4.6	** 12,918	** 1.6	2,228	7.0	242,079	5.5
Foreign tax credit	114,595	1.8	**	**	994	3.1	82,474	1.9
General business credit	23,501	0.4	**	**	582	1.8	16,950	0.4
All other tax credits	66,885	1.0	** 2,438	** 0.3	517	1.6	54,985	1.3
Capital gains taxed at 0 percent	69,915	1.1	1,274	0.2	** 1,250	** 3.9	28,944	0.7
No second largest item	249,027	3.8	737	0.1	**	**	66,031	1.5
Returns with expanded income of \$200,000 or more								
Total	6,581,483	100.0	820,393	12.5	0	0.0	4,241,859	64.5
Interest paid deduction	2,641,140	40.1	0	0.0	0	0.0	2,502,048	59.0
Tax-exempt interest [2]	255,541	3.9	829	0.1	0	0.0	174,829	4.1
Taxes paid deduction	1,519,261	23.1	756,671	92.2	0	0.0	0	0.0
Charitable contributions deduction	1,248,065	19.0	51,765	6.3	0	0.0	1,143,063	26.9
Medical and dental expense deduction	36,711	0.6	2,583	0.3	0	0.0	** 22,809	** 0.5
Net casualty or theft loss deduction	972	[4]	**	**	0	0.0	**	**
Total miscellaneous deductions	133,607	2.0	** 1,863	** 0.2	0	0.0	84,395	2.0
Foreign tax credit	134,942	2.1	**	**	0	0.0	53,972	1.3
General business credit	23,222	0.4	**	**	0	0.0	16,652	0.4
All other tax credits	68,059	1.0	2,591	0.3	0	0.0	52,996	1.2
Foreign-earned income exclusion [2]	31,817	0.5	0	0.0	0	0.0	635	[4]
AMT tax preference [2]	2,878	[4]	0	0.0	0	0.0	1,630	[4]
Nontaxable Social Security benefits [2]	181,284	2.8	2,115	0.3	0	0.0	104,625	2.5
Capital gains taxed at 0 percent	77,636	1.2	** 1,975	** 0.2	0	0.0	25,093	0.6
No second largest item	226,348	3.4	**	**	0	0.0	59,111	1.4

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction [3]		Net casualty or theft loss deduction		Total miscellaneous deductions [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RETURNS WITH U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	531,964	8.2	49,777	0.8	1,582	[4]	202,888	3.1
Interest paid deduction	70,834	13.3	** 4,879	** 9.8	** 147	** 9.3	27,078	13.3
Investment interest expense deduction [1]	4,124	0.8	**	**	**	**	2,374	1.2
Taxes paid deduction	407,208	76.5	** 31,984	** 64.3	** 1,415	** 89.5	132,993	65.5
Charitable contributions deduction	0	0.0	**	**	**	**	22,166	10.9
Medical and dental expense deduction	3,566	0.7	0	0.0	0	0.0	** 2,611	** 1.3
Net casualty or theft loss deduction	0	0.0	**	**	0	0.0	**	**
Total miscellaneous deductions	21,437	4.0	** 4,546	** 9.1	** 20	** 1.2	0	0.0
Foreign tax credit	2,618	0.5	599	1.2	**	**	3,666	1.8
General business credit	2,890	0.5	**	**	0	0.0	723	0.4
All other tax credits	2,049	0.4	** 19	** [4]	0	0.0	514	0.3
Capital gains taxed at 0 percent	** 17,238	** 3.2	7,750	15.6	0	0.0	10,236	5.0
No second largest item	**	**	0	0.0	0	0.0	527	0.3
Returns with expanded income of \$200,000 or more								
Total	521,633	7.9	49,045	0.7	1,425	[4]	56,462	0.9
Interest paid deduction	71,385	13.7	4,419	9.0	144	10.1	1,953	3.5
Tax-exempt interest [2]	19,346	3.7	3,797	7.7	9	0.6	8,522	15.1
Taxes paid deduction	391,163	75.0	25,228	51.4	** 1,272	** 89.3	29,958	53.1
Charitable contributions deduction	0	0.0	4,009	8.2	**	**	6,509	11.5
Medical and dental expense deduction	2,999	0.6	0	0.0	0	0.0	** 1,969	** 3.5
Net casualty or theft loss deduction	0	0.0	**	**	0	0.0	**	**
Total miscellaneous deductions	10,762	2.1	** 3,272	** 6.7	0	0.0	0	0.0
Foreign tax credit	1,589	0.3	**	**	0	0.0	1,893	3.4
General business credit	2,866	0.5	**	**	0	0.0	75	0.1
All other tax credits	1,997	0.4	**	**	0	0.0	120	0.2
Foreign-earned income exclusion [2]	271	0.1	0	0.0	0	0.0	**	**
AMT tax preference [2]	186	[4]	0	0.0	0	0.0	** 351	** 0.6
Nontaxable Social Security benefits [2]	4,823	0.9	** 1,818	** 3.7	0	0.0	349	0.6
Capital gains taxed at 0 percent	14,219	2.7	6,503	13.3	0	0.0	** 4,763	** 8.4
No second largest item	26	[4]	0	0.0	0	0.0	**	**

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign tax credit		General business credit		All other tax credits		Capital gains taxed at 0 percent	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
RETURNS WITH U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	213,347	3.3	39,805	0.6	78,111	1.2	129,688	2.0
Interest paid deduction	14,474	6.8	5,295	13.3	10,857	13.9	8,630	6.7
Investment interest expense deduction [1]	1,225	0.6	885	2.2	136	0.2	2,101	1.6
Taxes paid deduction	48,492	22.7	22,571	56.7	29,714	38.0	56,013	43.2
Charitable contributions deduction	5,163	2.4	3,067	7.7	** 2,210	** 2.8	12,879	9.9
Medical and dental expense deduction	808	0.4	10	[4]	**	**	2,118	1.6
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	4,009	1.9	203	0.5	527	0.7	12,027	9.3
Foreign tax credit	0	0.0	1,856	4.7	8,423	10.8	13,586	10.5
General business credit	1,507	0.7	0	0.0	214	0.3	482	0.4
All other tax credits	4,269	2.0	848	2.1	0	0.0	1,400	1.1
Capital gains taxed at 0 percent	2,645	1.2	492	1.2	131	0.2	0	0.0
No second largest item	130,756	61.3	4,577	11.5	25,901	33.2	20,453	15.8
Returns with expanded income of \$200,000 or more								
Total	153,937	2.3	39,391	0.6	73,813	1.1	125,529	1.9
Interest paid deduction	9,591	6.2	4,995	12.7	10,916	14.8	9,152	7.3
Tax-exempt interest [2]	10,955	7.1	1,554	3.9	2,829	3.8	9,155	7.3
Taxes paid deduction	38,662	25.1	21,998	55.8	27,300	37.0	47,172	37.6
Charitable contributions deduction	3,511	2.3	** 3,063	** 7.8	** 1,760	** 2.4	11,187	8.9
Medical and dental expense deduction	764	0.5	**	**	**	**	2,622	2.1
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	1,761	1.1	116	0.3	413	0.6	11,564	9.2
Foreign tax credit	0	0.0	1,374	3.5	4,869	6.6	4,633	3.7
General business credit	756	0.5	0	0.0	204	0.3	514	0.4
All other tax credits	1,757	1.1	782	2.0	0	0.0	913	0.7
Foreign-earned income exclusion [2]	30,488	19.8	0	0.0	**	**	86	0.1
AMT tax preference [2]	12	[4]	**	**	** 410	** 0.6	**	**
Nontaxable Social Security benefits [2]	4,132	2.7	** 1,682	** 4.3	2,304	3.1	** 19,934	** 15.9
Capital gains taxed at 0 percent	1,743	1.1	488	1.2	127	0.2	0	0.0
No second largest item	49,805	32.4	3,341	8.5	22,681	30.7	8,598	6.8

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign-earned income exclusion [2]		Tax-exempt interest [2]		AMT tax preference [2]		Nontaxable Social Security benefits [2]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
RETURNS WITH U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	0	0.0	0	0.0	0	0.0	0	0.0
Interest paid deduction	0	0.0	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more								
Total	33,781	0.5	273,961	4.2	11,858	0.2	178,394	2.7
Interest paid deduction	1,914	5.7	4,002	1.5	705	5.9	19,916	11.2
Tax-exempt interest [2]	380	1.1	0	0.0	341	2.9	22,995	12.9
Taxes paid deduction	5,793	17.1	122,582	44.7	** 10,026	** 84.6	41,936	23.5
Charitable contributions deduction	** 877	** 2.6	21,308	7.8	**	**	962	0.5
Medical and dental expense deduction	**	**	3,053	1.1	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	156	0.1	0	0.0	0	0.0
Total miscellaneous deductions	638	1.9	19,319	7.1	155	1.3	0	0.0
Foreign tax credit	15,378	45.5	30,153	11.0	174	1.5	20,731	11.6
General business credit	0	0.0	1,618	0.6	9	0.1	333	0.2
All other tax credits	**	**	** 2,703	** 1.0	** 57	** 0.5	3,865	2.2
Foreign-earned income exclusion [2]	0	0.0	**	**	**	**	0	0.0
AMT tax preference [2]	0	0.0	248	0.1	0	0.0	62	[4]
Nontaxable Social Security benefits [2]	** 416	** 1.2	39,620	14.5	58	0.5	0	0.0
Capital gains taxed at 0 percent	1,753	5.2	19,792	7.2	49	0.4	1,613	0.9
No second largest item	6,631	19.6	9,408	3.4	283	2.4	65,981	37.0

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect—continued					
			Interest paid deduction [3]		Investment interest expense deduction [1, 3]		Taxes paid deduction [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETURNS WITHOUT U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	11,072	100.0	139	1.3	359	3.2	386	3.5
Interest paid deduction	1,693	15.3	0	0.0	45	12.5	46	11.9
Investment interest expense deduction [1]	223	2.0	9	6.5	0	0.0	35	9.1
Taxes paid deduction	2,309	20.9	57	41.0	127	35.4	0	0.0
Charitable contributions deduction	961	8.7	15	10.8	76	21.2	149	38.6
Medical and dental expense deduction	166	1.5	10	7.2	13	3.6	22	5.7
Net casualty or theft loss deduction	17	0.2	**	**	4	1.1	**	**
Total miscellaneous deductions	584	5.3	** 20	** 14.4	49	13.6	** 89	** 23.1
Foreign tax credit	60	0.5	**	**	6	1.7	4	1.0
General business credit	77	0.7	4	2.9	4	1.1	7	1.8
All other tax credits	161	1.5	8	5.8	**	**	10	2.6
Capital gains taxed at 0 percent	732	6.6	16	11.5	** 35	** 9.7	24	6.2
No second largest item	4,088	36.9	0	0.0	**	**	0	0.0
Returns with expanded income of \$200,000 or more								
Total	22,292	100.0	173	0.8	0	0.0	550	2.5
Interest paid deduction	1,494	6.7	0	0.0	0	0.0	55	10.0
Tax-exempt interest [2]	1,291	5.8	11	6.4	0	0.0	155	28.2
Taxes paid deduction	3,231	14.5	67	38.7	0	0.0	0	0.0
Charitable contributions deduction	1,766	7.9	19	11.0	0	0.0	147	26.7
Medical and dental expense deduction	1,193	5.4	18	10.4	0	0.0	19	3.5
Net casualty or theft loss deduction	32	0.1	5	2.9	0	0.0	**	**
Total miscellaneous deductions	1,156	5.2	** 16	** 9.2	0	0.0	** 111	** 20.2
Foreign tax credit	2,379	10.7	**	**	0	0.0	**	**
General business credit	79	0.4	4	2.3	0	0.0	7	1.3
All other tax credits	186	0.8	** 9	** 5.2	0	0.0	**	**
Foreign-earned income exclusion [2]	3,723	16.7	**	**	0	0.0	** 15	** 2.7
AMT tax preference [2]	13	0.1	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [2]	579	2.6	5	2.9	0	0.0	11	2.0
Capital gains taxed at 0 percent	1,707	7.7	19	11.0	0	0.0	30	5.5
No second largest item	3,462	15.5	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction [3]		Net casualty or theft loss deduction		Total miscellaneous deductions [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RETURNS WITHOUT U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	785	7.1	802	7.2	229	2.1	1,449	13.1
Interest paid deduction	87	11.1	55	6.9	** 61	** 26.6	217	15.0
Investment interest expense deduction [1]	53	6.8	12	1.5	**	**	46	3.2
Taxes paid deduction	178	22.7	293	36.5	113	49.3	821	56.7
Charitable contributions deduction	0	0.0	131	16.3	20	8.7	174	12.0
Medical and dental expense deduction	49	6.2	0	0.0	8	3.5	38	2.6
Net casualty or theft loss deduction	3	0.4	**	**	0	0.0	4	0.3
Total miscellaneous deductions	110	14.0	** 119	** 14.8	16	7.0	0	0.0
Foreign tax credit	11	1.4	**	**	0	0.0	9	0.6
General business credit	15	1.9	**	**	0	0.0	12	0.8
All other tax credits	15	1.9	** 6	** 0.7	**	**	25	1.7
Capital gains taxed at 0 percent	264	33.6	186	23.2	** 10	** 4.4	38	2.6
No second largest item	0	0.0	0	0.0	**	**	65	4.5
Returns with expanded income of \$200,000 or more								
Total	1,018	4.6	1,770	7.9	241	1.1	413	1.9
Interest paid deduction	71	7.0	59	3.3	58	24.1	25	6.1
Tax-exempt interest [2]	150	14.7	645	36.4	17	7.1	118	28.6
Taxes paid deduction	214	21.0	314	17.7	112	46.5	115	27.8
Charitable contributions deduction	0	0.0	173	9.8	18	7.5	91	22.0
Medical and dental expense deduction	62	6.1	0	0.0	6	2.5	20	4.8
Net casualty or theft loss deduction	5	0.5	**	**	0	0.0	0	0.0
Total miscellaneous deductions	125	12.3	** 171	** 9.7	8	3.3	0	0.0
Foreign tax credit	12	1.2	**	**	0	0.0	4	1.0
General business credit	16	1.6	**	**	0	0.0	**	**
All other tax credits	17	1.7	** 7	** 0.4	**	**	0	0.0
Foreign-earned income exclusion [2]	0	0.0	**	**	** 5	** 2.1	** 3	** 0.7
AMT tax preference [2]	**	**	0	0.0	0	0.0	**	**
Nontaxable Social Security benefits [2]	** 43	** 4.2	121	6.8	10	4.1	** 8	** 1.9
Capital gains taxed at 0 percent	303	29.8	280	15.8	7	2.9	** 29	** 7.0
No second largest item	0	0.0	0	0.0	0	0.0	**	**

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign tax credit		General business credit		All other tax credits		Capital gains taxed at 0 percent	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
RETURNS WITHOUT U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	6,264	56.6	123	1.1	183	1.7	353	3.2
Interest paid deduction	1,089	17.4	** 28	** 22.8	** 37	** 20.2	33	9.3
Investment interest expense deduction [1]	35	0.6	**	**	**	**	28	7.9
Taxes paid deduction	542	8.7	36	29.3	75	41.0	67	19.0
Charitable contributions deduction	** 301	** 4.8	** 21	** 17.1	** 22	** 12.0	62	17.6
Medical and dental expense deduction	**	**	**	**	**	**	16	4.5
Net casualty or theft loss deduction	**	**	0	0.0	0	0.0	**	**
Total miscellaneous deductions	** 139	** 2.2	** 4	** 3.3	** 10	** 5.5	** 39	** 11.0
Foreign tax credit	0	0.0	**	**	**	**	25	7.1
General business credit	**	**	0	0.0	7	3.8	25	7.1
All other tax credits	** 45	** 0.7	3	2.4	0	0.0	48	13.6
Capital gains taxed at 0 percent	113	1.8	31	25.2	22	12.0	0	0.0
No second largest item	4,000	63.9	0	0.0	10	5.5	10	2.8
Returns with expanded income of \$200,000 or more								
Total	8,108	36.4	124	0.6	191	0.9	571	2.6
Interest paid deduction	756	9.3	26	21.0	34	17.8	47	8.2
Tax-exempt interest [2]	45	0.6	4	3.2	7	3.7	115	20.2
Taxes paid deduction	427	5.3	36	29.0	76	39.8	99	17.3
Charitable contributions deduction	207	2.6	22	17.7	24	12.6	82	14.4
Medical and dental expense deduction	**	**	**	**	0	0.0	49	8.6
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	9	1.6
Total miscellaneous deductions	** 40	** 0.5	** 3	** 2.4	** 7	** 3.7	42	7.4
Foreign tax credit	0	0.0	0	0.0	**	**	30	5.3
General business credit	**	**	0	0.0	**	**	27	4.7
All other tax credits	** 40	** 0.5	3	2.4	0	0.0	** 50	** 8.8
Foreign-earned income exclusion [2]	3,701	45.6	0	0.0	** 7	** 3.7	**	**
AMT tax preference [2]	0	0.0	0	0.0	0	0.0	**	**
Nontaxable Social Security benefits [2]	66	0.8	0	0.0	0	0.0	** 14	** 2.5
Capital gains taxed at 0 percent	95	1.2	30	24.2	** 36	** 18.8	0	0.0
No second largest item	2,731	33.7	0	0.0	**	**	7	1.2

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Foreign-earned income exclusion [2]		Tax-exempt interest [2]		AMT tax preference [2]		Nontaxable Social Security benefits [2]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)
RETURNS WITHOUT U.S. INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	0	0.0	0	0.0	0	0.0	0	0.0
Interest paid deduction	0	0.0	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0	0.0	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more								
Total	3,135	14.1	5,955	26.7	11	[4]	31	0.1
Interest paid deduction	120	3.8	234	3.9	0	0.0	9	29.0
Tax-exempt interest [2]	17	0.5	0	0.0	4	36.4	3	9.7
Taxes paid deduction	86	2.7	1,682	28.2	**	**	**	**
Charitable contributions deduction	35	1.1	944	15.9	** 3	** 27.3	** 4	** 12.9
Medical and dental expense deduction	22	0.7	982	16.5	0	0.0	6	19.4
Net casualty or theft loss deduction	0	0.0	8	0.1	0	0.0	**	**
Total miscellaneous deductions	11	0.4	640	10.7	0	0.0	** 3	** 9.7
Foreign tax credit	2,317	73.9	9	0.2	0	0.0	0	0.0
General business credit	**	**	12	0.2	0	0.0	0	0.0
All other tax credits	9	** 0.3	49	0.8	0	0.0	0	0.0
Foreign-earned income exclusion [2]	0	0.0	7	0.1	0	0.0	0	0.0
AMT tax preference [2]	**	**	8	0.1	0	0.0	0	0.0
Nontaxable Social Security benefits [2]	** 8	** 0.3	298	5.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	54	1.7	827	13.9	4	36.4	** 6	** 19.4
No second largest item	456	14.5	255	4.3	0	0.0	**	**

** Data combined to avoid disclosure of information for specific taxpayers.

[1] Investment interest expense deduction only has an effect when using the adjusted gross income concept.

[2] Tax-exempt interest, foreign-earned income exclusion, AMT tax preference, and nontaxable Social Security benefits only have an effect when using the expanded income concept.

[3] For taxable returns only, this does not include any possible effect on AMT.

[4] Less than 0.05 percent.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of djusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2018.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2015

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction [3]		Investment interest expense deduction [1, 3]		Taxes paid deduction [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETURNS WITH WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	6,363,715	100.0	846,123	13.3	32,923	0.5	4,431,461	69.6
Interest paid deduction	2,679,921	42.1	0	0.0	2,963	9.0	2,547,819	57.5
Investment interest expense deduction [1]	60,533	1.0	2,138	0.3	0	0.0	47,559	1.1
Taxes paid deduction	1,484,764	23.3	772,235	91.3	20,770	63.1	0	0.0
Charitable contributions deduction	1,459,370	22.9	51,521	6.1	** 4,177	** 12.7	1,357,419	30.6
Medical and dental expense deduction	38,525	0.6	2,120	0.3	**	**	** 28,618	** 0.6
Net casualty or theft loss deduction	1,127	[4]	**	**	0	0.0	**	**
Total miscellaneous deductions	307,328	4.8	** 12,786	** 1.5	2,515	7.6	252,101	5.7
General business credit	23,200	0.4	**	**	613	1.9	17,841	0.4
All other tax credits	65,806	1.0	2,602	0.3	550	1.7	57,527	1.3
Capital gains taxed at 0 percent	69,727	1.1	1,280	0.2	** 1,336	** 4.1	30,354	0.7
No second largest item	173,412	2.7	1,442	0.2	**	**	92,223	2.1
Returns with expanded income of \$200,000 or more								
Total	6,540,066	100.0	830,519	12.7	0	0.0	4,280,965	65.5
Interest paid deduction	2,667,646	40.8	0	0.0	0	0.0	2,528,008	59.1
Tax-exempt interest [2]	263,264	4.0	984	0.1	0	0.0	184,283	4.3
Taxes paid deduction	1,510,735	23.1	766,048	92.2	0	0.0	0	0.0
Charitable contributions deduction	1,275,783	19.5	51,909	6.3	0	0.0	1,170,611	27.3
Medical and dental expense deduction	36,540	0.6	** 2,724	** 0.3	0	0.0	22,978	0.5
Net casualty or theft loss deduction	974	[4]	**	**	0	0.0	322	[4]
Total miscellaneous deductions	139,022	2.1	** 1,631	** 0.2	0	0.0	89,792	2.1
General business credit	24,257	0.4	**	**	0	0.0	17,352	0.4
All other tax credits	70,416	1.1	** 2,607	** 0.3	0	0.0	54,790	1.3
Foreign-earned income exclusion [2]	2,419	[4]	**	**	0	0.0	1,361	[4]
AMT tax preference [2]	3,154	[4]	0	0.0	0	0.0	1,714	[4]
Nontaxable Social Security benefits [2]	184,952	2.8	2,115	0.3	0	0.0	108,325	2.5
Capital gains taxed at 0 percent	79,533	1.2	1,540	0.2	0	0.0	25,818	0.6
No second largest item	281,369	4.3	961	0.1	0	0.0	75,612	1.8

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction [3]		Net casualty or theft loss deduction		Total miscellaneous deductions [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RETURNS WITH WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	537,523	8.4	50,609	0.8	1,586	[4]	207,065	3.3
Interest paid deduction	71,529	13.3	** 4,891	** 9.7	** 147	** 9.3	27,549	13.3
Investment interest expense deduction [1]	4,770	0.9	**	**	**	**	2,664	1.3
Taxes paid deduction	412,297	76.7	28,245	55.8	1,418	89.4	138,313	66.8
Charitable contributions deduction	0	0.0	4,831	9.5	7	0.5	23,085	11.1
Medical and dental expense deduction	3,568	0.7	0	0.0	0	0.0	** 2,623	** 1.3
Net casualty or theft loss deduction	0	0.0	**	**	0	0.0	**	**
Total miscellaneous deductions	22,431	4.2	** 4,579	** 9.0	** 13	** 0.8	0	0.0
General business credit	2,987	0.6	**	**	0	0.0	775	0.4
All other tax credits	2,097	0.4	**	**	**	**	542	0.3
Capital gains taxed at 0 percent	17,581	3.3	** 8,063	** 15.9	**	**	10,808	5.2
No second largest item	262	[4]	**	**	0	0.0	707	0.3
Returns with expanded income of \$200,000 or more								
Total	525,466	8.0	49,847	0.8	1,428	[4]	58,269	0.9
Interest paid deduction	71,722	13.6	4,431	8.9	144	10.1	2,014	3.5
Tax-exempt interest [2]	19,678	3.7	3,801	7.6	9	0.6	9,557	16.4
Taxes paid deduction	394,830	75.1	25,383	50.9	** 1,275	** 89.3	32,009	54.9
Charitable contributions deduction	0	0.0	4,625	9.3	**	**	6,726	11.5
Medical and dental expense deduction	3,001	0.6	0	0.0	0	0.0	** 1,978	** 3.4
Net casualty or theft loss deduction	0	0.0	**	**	0	0.0	**	**
Total miscellaneous deductions	11,097	2.1	** 3,267	** 6.6	0	0.0	0	0.0
General business credit	2,965	0.6	**	**	0	0.0	120	0.2
All other tax credits	2,046	0.4	12	[4]	**	**	141	0.2
Foreign-earned income exclusion [2]	339	0.1	0	0.0	**	**	340	0.6
AMT tax preference [2]	186	[4]	0	0.0	0	0.0	34	0.1
Nontaxable Social Security benefits [2]	4,916	0.9	1,807	3.6	0	0.0	351	0.6
Capital gains taxed at 0 percent	14,441	2.7	6,521	13.1	**	**	4,932	8.5
No second largest item	245	[4]	0	0.0	0	0.0	69	0.1

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	General business credit		All other tax credits		Capital gains taxed at 0 percent		Foreign-earned income exclusion [2]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
RETURNS WITH WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	41,347	0.6	82,475	1.3	132,603	2.1	0	0.0
Interest paid deduction	5,331	12.9	10,978	13.3	8,742	6.6	0	0.0
Investment interest expense deduction [1]	931	2.3	229	0.3	2,214	1.7	0	0.0
Taxes paid deduction	23,025	55.7	30,046	36.4	58,415	44.1	0	0.0
Charitable contributions deduction	3,132	7.6	** 2,224	** 2.7	13,283	10.0	0	0.0
Medical and dental expense deduction	10	[4]	**	**	2,123	1.6	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	214	0.5	** 680	** 0.8	12,604	9.5	0	0.0
General business credit	0	0.0	317	0.4	514	0.4	0	0.0
All other tax credits	932	2.3	0	0.0	1,543	1.2	0	0.0
Capital gains taxed at 0 percent	504	1.2	**	**	0	0.0	0	0.0
No second largest item	7,268	17.6	38,000	46.1	33,166	25.0	0	0.0
Returns with expanded income of \$200,000 or more								
Total	40,183	0.6	75,672	1.2	127,583	2.0	70,435	1.1
Interest paid deduction	5,016	12.5	10,962	14.5	9,229	7.2	10,372	14.7
Tax-exempt interest [2]	2,069	5.1	3,518	4.6	10,207	8.0	2,752	3.9
Taxes paid deduction	22,334	55.6	27,379	36.2	47,859	37.5	14,614	20.7
Charitable contributions deduction	** 3,115	** 7.8	** 1,773	** 2.3	11,542	9.0	2,555	3.6
Medical and dental expense deduction	**	**	**	**	2,630	2.1	171	0.2
Net casualty or theft loss deduction	0	0.0	0	0.0	**	**	**	**
Total miscellaneous deductions	131	0.3	429	0.6	** 12,155	** 9.5	** 791	** 1.1
General business credit	0	0.0	238	0.3	539	0.4	175	0.2
All other tax credits	797	2.0	0	0.0	1,050	0.8	1,945	2.8
Foreign-earned income exclusion [2]	0	0.0	5	[4]	299	0.2	0	0.0
AMT tax preference [2]	**	**	409	0.5	**	**	55	0.1
Nontaxable Social Security benefits [2]	** 1,697	** 4.2	2,652	3.5	** 21,048	** 16.5	692	1.0
Capital gains taxed at 0 percent	497	1.2	144	0.2	0	0.0	3,311	4.7
No second largest item	4,527	11.3	28,161	37.2	11,024	8.6	33,001	46.9

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued					
	Tax-exempt interest [2]		AMT tax preference [2]		Nontaxable Social Security benefits [2]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)
RETURNS WITH WORLDWIDE INCOME TAX						
Returns with adjusted gross income of \$200,000 or more						
Total	0	0.0	0	0.0	0	0.0
Interest paid deduction	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more						
Total	285,235	4.4	11,872	0.2	182,592	2.8
Interest paid deduction	4,727	1.7	705	5.9	20,315	11.1
Tax-exempt interest [2]	0	0.0	358	3.0	26,049	14.3
Taxes paid deduction	126,828	44.5	** 10,138	** 85.4	42,649	23.4
Charitable contributions deduction	21,765	7.6	**	**	969	0.5
Medical and dental expense deduction	3,103	1.1	0	0.0	0	0.0
Net casualty or theft loss deduction	156	0.1	0	0.0	0	0.0
Total miscellaneous deductions	19,909	7.0	**	**	**	**
General business credit	2,273	0.8	** 165	** 1.4	** 392	** 0.2
All other tax credits	3,107	1.1	**	**	** 3,881	** 2.1
Foreign-earned income exclusion [2]	55	[4]	**	**	**	**
AMT tax preference [2]	392	0.1	0	0.0	62	[4]
Nontaxable Social Security benefits [2]	41,593	14.6	58	0.5	0	0.0
Capital gains taxed at 0 percent	20,280	7.1	**	**	1,998	1.1
No second largest item	41,045	14.4	447	3.8	86,278	47.3

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect—continued					
			Interest paid deduction [3]		Investment interest expense deduction [1, 3]		Taxes paid deduction [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
RETURNS WITHOUT WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	4,363	100.0	130	3.0	333	7.6	370	8.5
Interest paid deduction	572	13.1	0	0.0	44	13.2	44	11.9
Investment interest expense deduction [1]	179	4.1	9	6.9	0	0.0	35	9.5
Taxes paid deduction	1,675	38.4	55	42.3	124	37.2	0	0.0
Charitable contributions deduction	637	14.6	15	11.5	73	21.9	148	40.0
Medical and dental expense deduction	154	3.5	10	7.7	13	3.9	22	5.9
Net casualty or theft loss deduction	16	0.4	**	**	4	1.2	**	**
Total miscellaneous deductions	414	9.5	** 19	** 14.6	46	13.8	** 93	** 25.1
General business credit	47	1.1	4	3.1	3	0.9	**	**
All other tax credits	76	1.7	5	3.8	**	**	7	1.9
Capital gains taxed at 0 percent	504	11.6	13	10.0	** 26	** 7.8	21	5.7
No second largest item	88	2.0	0	0.0	**	**	0	0.0
Returns with expanded income of \$200,000 or more								
Total	10,942	100.0	164	1.5	0	0.0	533	4.9
Interest paid deduction	681	6.2	0	0.0	0	0.0	54	10.1
Tax-exempt interest [2]	1,175	10.7	11	6.7	0	0.0	155	29.1
Taxes paid deduction	2,670	24.4	65	39.6	0	0.0	0	0.0
Charitable contributions deduction	1,479	13.5	19	11.6	0	0.0	145	27.2
Medical and dental expense deduction	1,166	10.7	18	11.0	0	0.0	19	3.6
Net casualty or theft loss deduction	31	0.3	5	3.0	0	0.0	**	**
Total miscellaneous deductions	1,083	9.9	15	9.1	0	0.0	** 107	** 20.1
General business credit	43	0.4	4	2.4	0	0.0	5	0.9
All other tax credits	86	0.8	** 7	** 4.3	0	0.0	9	1.7
Foreign-earned income exclusion [2]	16	0.1	**	**	0	0.0	4	0.8
AMT tax preference [2]	10	0.1	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [2]	511	4.7	5	3.0	0	0.0	11	2.1
Capital gains taxed at 0 percent	1,306	11.9	15	9.1	0	0.0	24	4.5
No second largest item	685	6.3	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction [3]		Net casualty or theft loss deduction		Total miscellaneous deductions [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
RETURNS WITHOUT WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	682	15.6	786	18.0	226	5.2	1,419	32.5
Interest paid deduction	83	12.2	53	6.7	** 61	** 27.0	216	15.2
Investment interest expense deduction [1]	48	7.0	12	1.5	**	**	46	3.2
Taxes paid deduction	170	24.9	291	37.0	112	49.6	817	57.6
Charitable contributions deduction	0	0.0	131	16.7	** 28	** 12.4	173	12.2
Medical and dental expense deduction	48	7.0	0	0.0	**	**	** 42	** 3.0
Net casualty or theft loss deduction	3	0.4	**	**	0	0.0	**	**
Total miscellaneous deductions	107	15.7	** 119	** 15.1	16	7.1	0	0.0
General business credit	9	1.3	**	**	0	0.0	12	0.8
All other tax credits	11	1.6	4	0.5	**	**	22	1.6
Capital gains taxed at 0 percent	203	29.8	176	22.4	** 8	** 3.5	26	1.8
No second largest item	0	0.0	0	0.0	**	**	65	4.6
Returns with expanded income of \$200,000 or more								
Total	903	8.3	1,739	15.9	238	2.2	400	3.7
Interest paid deduction	67	7.4	57	3.3	58	24.4	25	6.3
Tax-exempt interest [2]	137	15.2	641	36.9	17	7.1	117	29.3
Taxes paid deduction	203	22.5	311	17.9	112	47.1	114	28.5
Charitable contributions deduction	0	0.0	170	9.8	** 24	** 10.1	91	22.8
Medical and dental expense deduction	61	6.8	0	0.0	**	**	20	5.0
Net casualty or theft loss deduction	5	0.6	**	**	0	0.0	0	0.0
Total miscellaneous deductions	124	13.7	** 170	** 9.8	**	**	0	0.0
General business credit	9	1.0	** 6	** 0.3	0	0.0	** 3	** 0.8
All other tax credits	11	1.2	**	**	** 11	** 4.6	0	0.0
Foreign-earned income exclusion [2]	0	0.0	**	**	**	**	**	**
AMT tax preference [2]	**	**	0	0.0	0	0.0	**	**
Nontaxable Social Security benefits [2]	** 43	** 4.8	121	7.0	10	4.2	** 7	** 1.8
Capital gains taxed at 0 percent	243	26.9	263	15.1	6	2.5	** 23	** 5.8
No second largest item	0	0.0	0	0.0	0	0.0	**	**

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	General business credit		All other tax credits		Capital gains taxed at 0 percent		Foreign-earned income exclusion [2]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
RETURNS WITHOUT WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	90	2.1	131	3.0	196	4.5	0	0.0
Interest paid deduction	** 23	** 25.6	** 32	** 24.4	21	10.7	0	0.0
Investment interest expense deduction [1]	**	**	**	**	24	12.2	0	0.0
Taxes paid deduction	22	24.4	51	38.9	33	16.8	0	0.0
Charitable contributions deduction	** 18	** 20.0	** 17	** 13.0	44	22.4	0	0.0
Medical and dental expense deduction	**	**	**	**	** 14	** 7.1	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	**	**	0	0.0
Total miscellaneous deductions	3	3.3	3	2.3	17	8.7	0	0.0
General business credit	0	0.0	4	3.1	10	5.1	0	0.0
All other tax credits	**	**	0	0.0	23	11.7	0	0.0
Capital gains taxed at 0 percent	** 24	** 26.7	** 24	** 18.3	0	0.0	0	0.0
No second largest item	0	0.0	**	**	10	5.1	0	0.0
Returns with expanded income of \$200,000 or more								
Total	91	0.8	126	1.2	355	3.2	671	6.1
Interest paid deduction	** 23	** 25.3	** 30	** 23.8	36	10.1	96	14.3
Tax-exempt interest [2]	**	**	**	**	** 133	** 37.5	13	1.9
Taxes paid deduction	22	24.2	52	41.3	**	**	83	12.4
Charitable contributions deduction	** 21	** 23.1	18	14.3	61	17.2	19	2.8
Medical and dental expense deduction	**	**	0	0.0	42	11.8	17	2.5
Net casualty or theft loss deduction	0	0.0	0	0.0	8	2.3	0	0.0
Total miscellaneous deductions	**	**	0	0.0	22	6.2	7	1.0
General business credit	0	0.0	4	3.2	11	3.1	** 9	** 1.3
All other tax credits	** 3	** 3.3	0	0.0	22	6.2	**	**
Foreign-earned income exclusion [2]	0	0.0	0	0.0	0	0.0	0	0.0
AMT tax preference [2]	0	0.0	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [2]	0	0.0	0	0.0	13	3.7	5	0.7
Capital gains taxed at 0 percent	22	24.2	** 22	** 17.5	0	0.0	12	1.8
No second largest item	0	0.0	**	**	7	2.0	410	61.1

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued					
	Tax-exempt interest [2]		AMT tax preference [2]		Nontaxable Social Security benefits [2]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)
RETURNS WITHOUT WORLDWIDE INCOME TAX						
Returns with adjusted gross income of \$200,000 or more						
Total	0	0.0	0	0.0	0	0.0
Interest paid deduction	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	0	0.0	0	0.0	0	0.0
Taxes paid deduction	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0
General business credit	0	0.0	0	0.0	0	0.0
All other tax credits	0	0.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	0	0.0	0	0.0	0	0.0
No second largest item	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more						
Total	5,682	51.9	9	[4]	31	0.3
Interest paid deduction	229	4.0	0	0.0	9	29.0
Tax-exempt interest [2]	0	0.0	** 6	** 66.7	** 7	** 22.6
Taxes paid deduction	1,647	29.0	**	**	**	**
Charitable contributions deduction	915	16.1	**	**	**	**
Medical and dental expense deduction	975	17.2	0	0.0	6	19.4
Net casualty or theft loss deduction	8	0.1	0	0.0	**	**
Total miscellaneous deductions	631	11.1	0	0.0	** 3	** 9.7
General business credit	6	0.1	0	0.0	0	0.0
All other tax credits	25	0.4	0	0.0	0	0.0
Foreign-earned income exclusion [2]	5	0.1	0	0.0	0	0.0
AMT tax preference [2]	**	**	0	0.0	0	0.0
Nontaxable Social Security benefits [2]	** 306	** 5.4	0	0.0	0	0.0
Capital gains taxed at 0 percent	680	12.0	3	33.3	** 6	** 19.4
No second largest item	255	4.5	0	0.0	**	**

** Data combined to avoid disclosure of information for specific taxpayers.

[1] Investment interest expense deduction only has an effect when using the adjusted gross income concept.

[2] Tax-exempt interest, foreign-earned income exclusion, AMT tax preference, and nontaxable Social Security benefits only have an effect when using the expanded income concept.

[3] For taxable returns only, this does not include any possible effect on AMT.

[4] Less than 0.05 percent.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2018.

Table 9. Individual Income Tax Returns Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, by Percentage of Income Reduced, Tax Year 2015

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentage of income			
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income concept						
Total itemized deductions	11,082	4,230	1,278	730	267	139
Interest paid deduction:						
Total	11,082	6,343	3,158	725	280	123
Investment interest expense deduction per income concept	11,082	9,339	1,123	139	93	59
Taxes paid deduction	11,082	4,686	4,208	1,139	464	185
Charitable contributions deduction	11,082	5,982	3,318	399	247	273
Medical and dental expense deduction	11,082	9,573	457	126	82	70
Net casualty or theft loss deduction	11,082	10,834	5	4	6	0
Net limited miscellaneous deduction per income concept	11,082	8,577	1,242	577	303	157
Nonlimited miscellaneous deduction	11,082	9,283	520	34	20	26
Deduction equivalent of:						
Total credits	11,082	3,898	226	106	96	132
Foreign tax credit	11,082	4,374	362	22	15	20
General business credit	11,082	10,768	65	44	26	46
Tax preferences excluded from adjusted gross income	11,082	8,814	1,409	305	158	91
Nontaxable Social Security benefits	11,082	8,900	2,173	** 6	**	0
Capital gains taxed at 0 percent	11,082	8,948	497	480	580	577
Expanded income concept						
Total itemized deductions	22,297	8,802	2,413	2,377	1,554	1,187
Interest paid deduction:						
Total	22,297	16,283	4,555	1,151	198	32
Investment interest expense deduction per income concept	22,297	19,336	2,679	163	56	16
Taxes paid deduction	22,297	9,315	8,356	2,796	950	349
Charitable contributions deduction	22,297	11,169	7,706	1,315	746	574
Medical and dental expense deduction	22,297	15,804	3,444	638	358	287
Net casualty or theft loss deduction	22,297	22,028	11	8	6	3
Net limited miscellaneous deduction per income concept	22,297	14,961	4,333	1,717	687	287
Nonlimited miscellaneous deduction	22,297	21,208	1,005	36	16	6
Deduction equivalent of:						
Total credits	22,297	10,327	724	381	271	386
Foreign tax credit	22,297	10,965	861	188	152	265
General business credit	22,297	21,917	113	60	29	45
Tax preferences excluded from adjusted gross income	22,297	12,321	1,801	893	784	797
Nontaxable Social Security benefits	22,297	15,195	7,082	14	3	0
Capital gains taxed at 0 percent	22,297	15,821	2,660	1,787	1,278	751

Footnotes at end of table.

Table 9. Individual Income Tax Returns Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, by Percentage of Income Reduced, Tax Year 2015—Continued

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentage of income—continued				
	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept					
Total itemized deductions	122	195	537	1,468	2,116
Interest paid deduction:					
Total	71	53	47	140	142
Investment interest expense deduction per income concept	42	41	35	104	107
Taxes paid deduction	99	72	41	81	107
Charitable contributions deduction	200	650	0	4	9
Medical and dental expense deduction	90	121	132	296	135
Net casualty or theft loss deduction	4	8	10	64	147
Net limited miscellaneous deduction per income concept	58	39	27	46	56
Nonlimited miscellaneous deduction	14	19	35	502	629
Deduction equivalent of:					
Total credits	163	185	224	4,584	1,468
Foreign tax credit	71	117	148	4,490	1,463
General business credit	51	34	33	11	4
Tax preferences excluded from adjusted gross income	53	51	34	65	102
Nontaxable Social Security benefits	0	0	0	0	3
Capital gains taxed at 0 percent	0	0	0	0	0
Expanded income concept					
Total itemized deductions	1,085	995	1,018	1,715	1,150
Interest paid deduction:					
Total	17	** 7	**	31	23
Investment interest expense deduction per income concept	12	5	6	9	15
Taxes paid deduction	158	103	61	97	111
Charitable contributions deduction	589	159	8	21	9
Medical and dental expense deduction	321	317	334	574	220
Net casualty or theft loss deduction	6	6	11	70	148
Net limited miscellaneous deduction per income concept	102	57	36	59	58
Nonlimited miscellaneous deduction	8	4	** 6	**	8
Deduction equivalent of:					
Total credits	603	1,422	1,502	6,639	41
Foreign tax credit	502	1,352	1,425	6,548	38
General business credit	48	38	34	10	3
Tax preferences excluded from adjusted gross income	868	857	883	2,654	439
Nontaxable Social Security benefits	0	3	0	0	0
Capital gains taxed at 0 percent	0	0	0	0	0

** Data combined to avoid disclosure of information for specific taxpayers.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2018.

Table 10. Individual Income Tax Returns Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, by Percentage of Income Reduced, Tax Year 2015

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentage of income			
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent
	(1)	(2)	(3)	(4)	(5)	(6)
Adjusted gross income concept						
Total itemized deductions	4,373	37	28	58	74	53
Interest paid deduction:						
Total	4,373	1,645	1,509	461	226	101
Investment interest expense deduction per income concept	4,373	3,027	794	105	82	52
Taxes paid deduction	4,373	129	2,418	880	384	174
Charitable contributions deduction	4,373	884	1,960	295	203	240
Medical and dental expense deduction	4,373	2,995	360	112	78	66
Net casualty or theft loss deduction	4,373	4,131	3	3	6	0
Net limited miscellaneous deduction per income concept	4,373	2,394	868	468	271	150
Nonlimited miscellaneous deduction	4,373	2,732	406	18	11	19
Deduction equivalent of:						
Total credits	4,373	3,895	85	51	48	58
Foreign tax credit	4,373	4,373	0	0	0	0
General business credit	4,373	4,177	31	24	17	26
Tax preferences excluded from adjusted gross income	4,373	2,496	1,103	266	142	85
Nontaxable Social Security benefits	4,373	2,499	1,871	0	0	0
Capital gains taxed at 0 percent	4,373	2,717	394	394	512	356
Expanded income concept						
Total itemized deductions	10,947	1,007	637	1,361	1,275	1,027
Interest paid deduction:						
Total	10,947	7,534	2,327	830	155	26
Investment interest expense deduction per income concept	10,947	8,456	2,237	145	53	14
Taxes paid deduction	10,947	1,062	5,738	2,429	869	333
Charitable contributions deduction	10,947	2,093	5,783	1,148	677	530
Medical and dental expense deduction	10,947	4,855	3,130	594	345	275
Net casualty or theft loss deduction	10,947	10,685	7	8	6	3
Net limited miscellaneous deduction per income concept	10,947	4,377	3,761	1,569	650	281
Nonlimited miscellaneous deduction	10,947	10,003	874	30	11	6
Deduction equivalent of:						
Total credits	10,947	10,247	266	97	51	52
Foreign tax credit	10,947	10,947	0	0	0	0
General business credit	10,947	10,742	40	30	12	24
Tax preferences excluded from adjusted gross income	10,947	1,874	1,330	796	716	739
Nontaxable Social Security benefits	10,947	4,744	6,197	** 3	**	0
Capital gains taxed at 0 percent	10,947	5,824	2,041	1,494	1,074	514

Footnotes at end of table.

Table 10. Individual Income Tax Returns Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, by Percentage of Income Reduced, Tax Year 2015—Continued

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentage of income—continued				
	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept					
Total itemized deductions	54	89	466	1,400	2,114
Interest paid deduction:					
Total	65	47	42	136	141
Investment interest expense deduction per income concept	37	38	32	100	106
Taxes paid deduction	90	70	40	81	107
Charitable contributions deduction	182	596	0	4	9
Medical and dental expense deduction	86	118	128	295	135
Net casualty or theft loss deduction	4	7	10	63	146
Net limited miscellaneous deduction per income concept	56	38	26	46	56
Nonlimited miscellaneous deduction	12	17	32	497	629
Deduction equivalent of:					
Total credits	54	49	63	66	4
Foreign tax credit	0	0	0	0	0
General business credit	37	26	26	5	4
Tax preferences excluded from adjusted gross income	46	45	32	61	97
Nontaxable Social Security benefits	0	0	0	0	3
Capital gains taxed at 0 percent	0	0	0	0	0
Expanded income concept					
Total itemized deductions	944	895	970	1,683	1,148
Interest paid deduction:					
Total	15	** 6	**	31	23
Investment interest expense deduction per income concept	10	4	6	9	13
Taxes paid deduction	148	101	59	97	111
Charitable contributions deduction	539	141	7	20	9
Medical and dental expense deduction	313	314	329	572	220
Net casualty or theft loss deduction	6	5	11	69	147
Net limited miscellaneous deduction per income concept	101	56	36	58	58
Nonlimited miscellaneous deduction	6	4	** 5	**	8
Deduction equivalent of:					
Total credits	55	50	61	65	3
Foreign tax credit	0	0	0	0	0
General business credit	35	31	26	4	3
Tax preferences excluded from adjusted gross income	804	807	830	2,612	439
Nontaxable Social Security benefits	0	3	0	0	0
Capital gains taxed at 0 percent	0	0	0	0	0

** Data combined to avoid disclosure of information for specific taxpayers.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2018.

Table 11. Individual Income Tax Returns With and Without U.S. Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2015

[All figures are estimates based on samples]

Tax status, effective tax rate	Total			Size of adjusted gross income					
				Under \$50,000 [1]			\$50,000 under \$100,000		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns	150,493,263	100.0	7.7	92,406,915	100.0	1.0	32,801,909	100.0	1.8
Returns without U.S. income tax	51,452,534	34.2	1.4	49,755,498	53.8	1.0	1,555,719	4.7	4.3
Effective tax rate:									
0 percent	18,556,700	12.3	5.3	18,136,072	19.6	3.1	323,927	1.0	13.7
Under 0 over -10 percent	14,705,776	9.8	0.7	13,437,923	14.6	0.3	1,223,236	3.8	1.5
-10 over -20 percent	5,063,880	3.4	0.1	5,055,324	5.5	0.1	8,556	[2]	6.6
-20 percent and under	13,126,179	8.7	0.0	13,126,179	14.2	0.0	0	0.0	0.0
Returns with U.S. income tax	99,040,729	65.8	8.1	42,651,418	46.2	0.9	31,246,190	95.3	1.7
Effective tax rate:									
Over 0 under 5 percent	25,509,976	17.0	4.3	19,621,269	21.2	1.6	5,169,669	15.8	3.8
5 under 10 percent	37,293,083	24.8	2.6	19,193,927	20.8	0.5	13,966,217	42.6	1.6
10 under 15 percent	23,287,556	15.5	4.1	3,777,021	4.1	0.5	9,544,911	29.1	1.3
15 under 20 percent	9,280,301	6.2	10.2	32,541	[2]	34.0	2,556,313	7.8	0.6
20 under 25 percent	2,314,337	1.5	28.2	9,050	[2]	19.7	7,505	[2]	23.4
25 under 30 percent	987,730	0.7	11.5	4,051	[2]	17.0	128	[2]	0.0
30 under 35 percent	293,384	0.2	6.0	2,335	[2]	10.6	** 1,038	** [2]	** [2]
35 under 40 percent	58,201	[2]	2.8	24	[2]	0.0	**	**	**
40 under 60 percent	4,192	[2]	3.6	10	[2]	3.8	332	[2]	0.0
60 under 80 percent	1,474	[2]	6.6	1,012	[2]	0.0	46	[2]	0.0
80 percent or more	10,496	[2]	[3]	10,179	[2]	0.0	32	[2]	2.2

Footnotes at end of table.

Table 11. Individual Income Tax Returns With and Without U.S. Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of adjusted gross income—continued						Total		
	\$100,000 under \$200,000			\$200,000 or more			Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates			
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
All returns	18,532,593	100.0	3.3	6,751,845	100.0	17.9	150,493,263	100.0	7.5
Returns without U.S. income tax	130,235	0.7	14.3	11,082	0.2	6.6	51,452,534	34.2	1.5
Effective tax rate:									
0 percent	85,653	0.5	15.7	11,047	0.2	6.6	18,556,700	12.3	5.1
Under 0 over -10 percent	44,582	0.2	11.4	35	[2]	11.6	14,869,436	9.9	0.7
-10 over -20 percent	0	0.0	0.0	0	0.0	0.0	5,256,318	3.5	0.1
-20 percent and under	0	0.0	0.0	0	0.0	0.0	12,770,079	8.5	0.0
Returns with U.S. income tax	18,402,358	99.3	3.3	6,740,763	99.8	17.9	99,040,729	65.8	8.0
Effective tax rate:									
Over 0 under 5 percent	640,818	3.5	15.3	78,220	1.2	15.9	26,253,873	17.4	4.1
5 under 10 percent	4,018,197	21.7	4.8	114,743	1.7	33.0	36,424,455	24.2	2.8
10 under 15 percent	9,316,929	50.3	2.7	648,695	9.6	25.1	23,325,125	15.5	4.1
15 under 20 percent	3,993,496	21.5	1.8	2,697,951	40.0	18.7	9,346,799	6.2	10.2
20 under 25 percent	423,559	2.3	1.0	1,874,224	27.8	30.1	2,340,685	1.6	27.6
25 under 30 percent	6,287	[2]	3.1	977,264	14.5	11.6	993,728	0.7	11.2
30 under 35 percent	** 1,984	** [2]	** 12.7	289,037	4.3	6.0	286,870	0.2	5.8
35 under 40 percent	**	**	**	57,167	0.8	2.8	55,415	[2]	2.6
40 under 60 percent	1,000	[2]	1.4	2,850	[2]	3.7	2,472	[2]	2.8
60 under 80 percent	27	[2]	2.4	389	[2]	7.0	1,084	[2]	25.5
80 percent or more	62	[2]	27.7	222	[2]	11.8	10,223	[2]	[3]

Footnotes at end of table.

Table 11. Individual Income Tax Returns With and Without U.S. Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of expanded income					
	Under \$50,000 [1]			\$50,000 under \$100,000		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(19)	(20)	(21)	(22)	(23)	(24)
All returns	89,929,787	100.0	0.7	35,234,743	100.0	1.7
Returns without U.S. income tax	49,024,438	54.5	0.7	2,229,824	6.3	3.3
Effective tax rate:						
0 percent	17,374,465	19.3	3.7	1,027,228	2.9	5.3
Under 0 over -10 percent	13,638,172	15.1	0.3	1,188,001	3.4	1.6
-10 over -20 percent	5,241,721	5.9	0.1	14,595	[2]	4.9
-20 percent and under	12,770,079	14.2	0.0	0	0.0	0.0
Returns with U.S. income tax	40,905,349	45.5	0.7	33,004,918	93.7	1.6
Effective tax rate:						
Over 0 under 5 percent	18,516,933	20.6	1.1	6,994,163	19.9	3.5
5 under 10 percent	18,259,980	20.3	0.4	14,055,923	39.9	1.3
10 under 15 percent	4,070,564	4.5	0.4	9,261,030	26.3	1.2
15 under 20 percent	27,608	[2]	34.2	2,683,940	7.6	0.5
20 under 25 percent	10,056	[2]	18.1	5,085	[2]	21.4
25 under 30 percent	6,042	[2]	8.9	4,363	[2]	0.0
30 under 35 percent	3,032	[2]	2.2	** 32	** [2]	** 1.2
35 under 40 percent	24	[2]	2.5	**	**	**
40 under 60 percent	10	[2]	0.0	350	[2]	0.2
60 under 80 percent	998	[2]	0.0	12	[2]	0.0
80 percent or more	10,101	[2]	0.0	20	[2]	0.0

Footnotes at end of table.

Table 11. Individual Income Tax Returns With and Without U.S. Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of expanded income—continued					
	\$100,000 under \$200,000			\$200,000 or more		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(25)	(26)	(27)	(28)	(29)	(30)
All returns	18,544,547	100.0	3.3	6,784,187	100.0	17.9
Returns without U.S. income tax	175,975	0.9	11.6	22,297	0.3	8.9
Effective tax rate:						
0 percent	133,280	0.7	11.6	21,727	0.3	8.8
Under 0 over -10 percent	42,695	0.2	12.7	570	[2]	17.4
-10 over -20 percent	0	0.0	0.0	0	0.0	0.0
-20 percent and under	0	0.0	0.0	0	0.0	0.0
Returns with U.S. income tax	18,368,572	99.1	3.2	6,761,890	99.7	17.9
Effective tax rate:						
Over 0 under 5 percent	640,251	3.5	16.7	102,526	1.5	17.5
5 under 10 percent	3,963,348	21.4	5.2	145,205	2.1	32.8
10 under 15 percent	9,336,407	50.3	2.6	657,124	9.7	25.9
15 under 20 percent	3,961,128	21.4	1.5	2,674,123	39.4	18.9
20 under 25 percent	458,645	2.5	0.9	1,866,899	27.5	29.6
25 under 30 percent	6,928	[2]	1.5	976,395	14.4	11.2
30 under 35 percent	** 1,734	** [2]	** 14.1	282,177	4.2	5.8
35 under 40 percent	**	**	**	55,285	0.8	2.6
40 under 60 percent	46	[2]	20.7	2,065	[2]	2.7
60 under 80 percent	16	[2]	4.0	58	[2]	32.1
80 percent or more	69	[2]	24.2	33	[2]	8.1

** Data combined to avoid disclosure of information for specific taxpayers.

[1] Includes returns with adjusted gross deficit or with negative expanded income.

[2] Less than 0.05 percent.

[3] Percentage not computed.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of U.S. income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, High-Income Tax Returns, June 2018.

Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2015

[All figures are estimates based on samples]

Tax status, effective tax rate	Total			Size of adjusted gross income		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Under \$50,000 [1]		
				Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(1)	(2)	(3)	(4)	(5)	(6)
All returns	150,493,263	100.0	7.7	92,406,915	100.0	1.0
Returns without worldwide income tax	51,254,202	34.1	1.1	49,638,336	53.7	1.0
Effective tax rate:						
0 percent	18,376,368	12.2	2.5	18,028,245	19.5	1.5
Under 0 over -10 percent	14,687,777	9.8	0.7	13,428,589	14.6	0.3
-10 over -20 percent	5,063,880	3.4	0.1	5,055,324	5.5	0.1
-20 percent and under	13,126,178	8.7	0.0	13,126,178	14.2	0.0
Returns with worldwide income tax	99,239,060	65.9	8.1	42,768,580	46.3	1.0
Effective tax rate:						
Under 5 percent	25,515,924	17.0	3.9	19,684,221	21.3	1.6
5 under 10 percent	37,296,548	24.8	2.5	19,220,320	20.8	0.5
10 under 15 percent	23,294,864	15.5	3.9	3,789,848	4.1	0.5
15 under 20 percent	9,325,265	6.2	9.9	33,447	[2]	29.1
20 under 25 percent	2,346,951	1.6	29.0	14,094	[2]	21.4
25 under 30 percent	1,030,632	0.7	12.2	4,053	[2]	17.0
30 under 35 percent	321,741	0.2	6.3	3,808	[2]	6.0
35 under 40 percent	70,983	[2]	3.1	26	[2]	0.2
40 under 60 percent	14,232	[2]	3.4	1,003	[2]	[2]
60 under 80 percent	6,318	[2]	4.1	3,504	[2]	[2]
80 percent or more	15,601	[2]	[3]	14,256	[2]	0.0

Footnotes at end of table.

Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of adjusted gross income—continued					
	\$50,000 under \$100,000			\$100,000 under \$200,000		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(7)	(8)	(9)	(10)	(11)	(12)
All returns	32,801,909	100.0	1.8	18,532,593	100.0	3.3
Returns without worldwide income tax	1,510,609	4.6	3.8	100,884	0.5	15.4
Effective tax rate:						
0 percent	284,866	0.9	12.8	58,912	0.3	17.4
Under 0 over -10 percent	1,217,187	3.7	1.6	41,973	0.2	12.2
-10 over -20 percent	8,556	[2]	6.7	0	0.0	0.0
-20 percent and under	0	0.0	0.0	0	0.0	0.0
Returns with worldwide income tax	31,291,300	95.4	1.8	18,431,709	99.5	3.3
Effective tax rate:						
Under 5 percent	5,171,960	15.8	3.9	619,538	3.3	15.3
5 under 10 percent	13,967,475	42.6	1.6	4,009,212	21.6	4.8
10 under 15 percent	9,559,452	29.1	1.3	9,316,176	50.3	2.8
15 under 20 percent	2,572,700	7.8	0.6	4,025,068	21.7	1.9
20 under 25 percent	11,207	[2]	16.4	437,118	2.4	1.3
25 under 30 percent	2,454	[2]	1.2	14,673	0.1	2.3
30 under 35 percent	345	[2]	0.4	3,662	[2]	6.4
35 under 40 percent	1,327	[2]	0.2	1,349	[2]	18.1
40 under 60 percent	1,924	[2]	0.2	4,053	[2]	4.0
60 under 80 percent	1,733	[2]	0.5	469	[2]	18.6
80 percent or more	722	[2]	0.5	391	[2]	4.8

Footnotes at end of table.

Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of adjusted gross income—continued			Total		
	\$200,000 or more			Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates			
	(13)	(14)	(15)	(16)	(17)	(18)
All returns	6,751,845	100.0	17.9	150,493,263	100.0	7.5
Returns without worldwide income tax	4,373	0.1	4.9	51,254,202	34.1	1.3
Effective tax rate:						
0 percent	4,345	0.1	4.8	18,376,368	12.2	4.6
Under 0 over -10 percent	28	[2]	13.8	14,851,439	9.9	0.7
-10 over -20 percent	0	0.0	0.0	5,256,317	3.5	0.1
-20 percent and under	0	0.0	0.0	12,770,078	8.5	0.0
Returns with worldwide income tax	6,747,472	99.9	17.9	99,239,060	65.9	8.0
Effective tax rate:						
Under 5 percent	40,205	0.6	12.6	26,257,134	17.4	3.7
5 under 10 percent	99,540	1.5	34.8	36,441,542	24.2	2.6
10 under 15 percent	629,389	9.3	24.7	23,346,150	15.5	4.0
15 under 20 percent	2,694,051	39.9	18.2	9,399,136	6.2	9.9
20 under 25 percent	1,884,532	27.9	31.0	2,371,451	1.6	28.3
25 under 30 percent	1,009,453	15.0	12.3	1,030,385	0.7	11.8
30 under 35 percent	313,925	4.6	6.3	313,871	0.2	6.1
35 under 40 percent	68,281	1.0	3.1	64,682	[2]	2.9
40 under 60 percent	7,253	0.1	3.5	2,973	[2]	2.8
60 under 80 percent	612	[2]	5.1	1,152	[2]	19.7
80 percent or more	232	[2]	11.6	10,585	[2]	[3]

Footnotes at end of table.

Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of expanded income					
	Under \$50,000 [1]			\$50,000 under \$100,000		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(19)	(20)	(21)	(22)	(23)	(24)
All returns	89,929,787	100.0	0.7	35,234,743	100.0	1.7
Returns without worldwide income tax	48,932,955	54.4	0.7	2,179,650	6.2	3.0
Effective tax rate:						
0 percent	17,291,342	19.2	3.6	continued	2.8	4.7
Under 0 over -10 percent	13,629,812	15.1	0.3	1,181,952	3.4	1.6
-10 over -20 percent	5,241,722	5.9	0.1	14,595	[2]	3.9
-20 percent and under	12,770,078	14.2	0.0	0	0.0	0.0
Returns with worldwide income tax	40,996,832	45.6	0.7	33,055,093	93.8	1.7
Effective tax rate:						
Under 5 percent	18,574,531	20.7	1.1	7,009,475	19.9	3.6
5 under 10 percent	18,284,102	20.3	0.4	14,065,127	39.9	1.4
10 under 15 percent	4,077,351	4.5	0.4	9,274,597	26.3	1.2
15 under 20 percent	28,666	[2]	33.4	2,696,002	7.7	0.5
20 under 25 percent	11,609	[2]	22.8	5,085	[2]	21.4
25 under 30 percent	** 9,074	** [2]	** 6.8	** 4,424	** [2]	** [2]
30 under 35 percent	**	**	**	**	**	**
35 under 40 percent	24	[2]	2.5	0	0.0	0.0
40 under 60 percent	17	[2]	1.5	351	[2]	0.3
60 under 80 percent	998	[2]	0.0	12	[2]	0.0
80 percent or more	10,458	[2]	0.0	20	[2]	0.0

Footnotes at end of table.

Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2015—Continued

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of expanded income—continued					
	\$100,000 under \$200,000			\$200,000 or more		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(25)	(26)	(27)	(28)	(29)	(30)
All returns	18,544,547	100.0	3.3	6,784,187	100.0	17.9
Returns without worldwide income tax	130,651	0.7	12.7	10,947	0.2	5.6
Effective tax rate:						
0 percent	91,532	0.5	12.7	10,391	0.2	5.6
Under 0 over -10 percent	39,118	0.2	12.7	556	[2]	5.6
-10 over -20 percent	0	0.0	0.0	0	0.0	0.0
-20 percent and under	0	0.0	0.0	0	0.0	0.0
Returns with worldwide income tax	18,413,896	99.3	3.3	6,773,240	99.8	17.9
Effective tax rate:						
Under 5 percent	620,795	3.3	16.9	52,333	0.8	19.9
5 under 10 percent	3,964,476	21.4	5.2	127,837	1.9	34.9
10 under 15 percent	9,351,398	50.4	2.6	642,804	9.5	25.7
15 under 20 percent	3,991,160	21.5	1.6	2,683,308	39.6	18.5
20 under 25 percent	472,936	2.6	1.0	1,881,820	27.7	30.4
25 under 30 percent	9,434	0.1	1.5	1,010,516	14.9	11.8
30 under 35 percent	3,139	[2]	7.1	307,669	4.5	6.1
35 under 40 percent	417	[2]	0.3	64,242	0.9	2.9
40 under 60 percent	54	[2]	16.2	2,551	[2]	2.8
60 under 80 percent	19	[2]	3.3	123	[2]	22.6
80 percent or more	69	[2]	24.2	37	[2]	7.7

** Data combined to avoid disclosure of information for specific taxpayers.

[1] Includes returns with adjusted gross deficit or with negative expanded income.

[2] Less than 0.05 percent.

[3] Percentage not computed.

NOTES: Detail may not add to totals because of rounding. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income and expanded income. See also Appendix B: Tax Concepts for a discussion of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits was factored in to determine tax liability. As a result, data may not be comparable to data in Tax Years 2007 and 2008 published tables. Prior to 2007, the portion of refundable credits used to offset income taxes had no effect.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2018.