

High-Income Tax Returns for 2013



by Justin Bryan

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.¹ This article presents detailed data for high-income returns for 2013 and summary data for the period 1977 to 2012. Detailed data for the years 1974 through 2012 were published previously. (See the References section for more details.)

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.² The

expanded income concept uses 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.^{3, 4, 5}

AGI and expanded income differed for 43.9 million (29.8 percent) of the 147.4 million individual income tax returns filed for 2013 (Figure A). Expanded income exceeded AGI in

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 2013

[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	147,351,299	43,946,706	6,545	3,392	29,280,909	14,665,797
Under \$50,000 [1]	93,564,192	20,157,828	13,038	13,559	16,865,565	3,292,263
\$50,000 under \$100,000	31,803,416	12,580,196	721	928	7,013,312	5,566,884
\$100,000 under \$200,000	16,425,446	8,123,807	54	-269	3,665,905	4,457,901
\$200,000 or more	5,558,244	3,084,875	4,959	359	1,736,126	1,348,749
Returns with positive U.S. income tax	94,532,494	32,783,075	3,675	1,817	19,672,665	13,110,410
Under \$50,000 [1]	42,342,394	9,675,675	9,768	10,706	7,538,701	2,136,974
\$50,000 under \$100,000	30,326,124	11,982,628	851	1,078	6,787,138	5,195,489
\$100,000 under \$200,000	16,318,248	8,047,682	-61	-282	3,615,669	4,432,013
\$200,000 or more	5,545,728	3,077,091	5,281	354	1,731,157	1,345,934
Returns with zero U.S. income tax	18,998,227	7,944,023	18,795	17,734	7,628,517	315,506
Under \$50,000 [1]	18,627,691	7,655,630	19,272	17,962	7,400,172	255,458
\$50,000 under \$100,000	285,556	223,894	7,692	3,414	177,418	46,476
\$100,000 under \$200,000	72,539	56,765	17,508	4,517	45,986	10,779
\$200,000 or more	12,440	7,735	-122,422	9,621	4,941	2,793
Returns with negative U.S. income tax	33,820,578	3,219,608	5,543	6,375	1,979,727	1,239,881
Under \$50,000 [1]	32,594,107	2,826,524	7,348	8,628	1,926,693	899,832
\$50,000 under \$100,000	1,191,736	373,674	-7,618	-3,691	48,756	324,918
\$100,000 under \$200,000	34,658	19,360	-3,628	-2,766	4,250	15,109
\$200,000 or more	77	50	-102,597	2,024	28	22

[1] Includes returns with adjusted gross deficit.

NOTES: Detail may not add to totals because of rounding. This figure is based on U.S. Individual Income Tax Returns. 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, May 2016.

¹ The statutory requirement is contained in section 2123 of the Tax Reform Act of 1976 (90 Stat. at 1915).

² The 1976 Act specified four income concepts for classifying tax returns: adjusted gross income (AGI), expanded income, AGI plus excluded tax preference items, and AGI less investment interest expense not in excess of investment income. Section 441 of the Deficit Reduction Act of 1984 (98 Stat. at 815) eliminated the requirement to use the last two income concepts.

³ 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.

⁴ See Notes to Appendix A, note A4.

⁵ 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.

two-thirds of these returns. The average difference between expanded income and AGI was \$6,545, and the median difference was \$3,392. Although expanded income is a more comprehensive measure of income than AGI, for some taxpayers the subtractions from AGI to arrive at expanded income exceed the additions, resulting in expanded income that is 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 (including refundable 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.^{6,7} The sum of these two items is believed to be a reasonable proxy for foreign taxes actually 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. Almost 36 percent of the 147.4 million tax returns filed for 2013 had zero or negative U.S. income tax liability, and 97.0 percent of these returns had AGI of \$50,000 or less—unsurprising given the progressive nature of the U.S. income tax. Only 3 out of every 1,000 returns with

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 2013

Returns by 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)
All returns	147,351,299	94,704,572	18,838,959	33,807,769
Returns with positive U.S. income tax	94,532,494	94,532,494	0	0
Under \$50,000 [1]	42,342,394	42,342,394	0	0
\$50,000 under \$100,000	30,326,124	30,326,124	0	0
\$100,000 under \$200,000	16,318,248	16,318,248	0	0
\$200,000 or more	5,545,728	5,545,728	0	0
Returns with zero U.S. income tax	18,998,227	159,269	18,838,959	0
Under \$50,000 [1]	18,627,691	110,513	18,517,178	0
\$50,000 under \$100,000	285,556	24,783	260,773	0
\$100,000 under \$200,000	72,539	15,754	56,786	0
\$200,000 or more	12,440	8,218	4,222	0
Returns with negative U.S. income tax	33,820,578	12,810	0	33,807,769
Under \$50,000 [1]	32,594,107	6,172	0	32,587,935
\$50,000 under \$100,000	1,191,736	2,312	0	1,189,424
\$100,000 under \$200,000	34,658	4,294	0	30,365
\$200,000 or more	77	32	0	44

[1] Includes returns with adjusted gross deficit.

NOTES: Detail may not add to totals because of rounding. This figure is based on U.S. Individual Income Tax Returns. 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, May 2016.

⁶ 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.”

⁷ 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.

zero or negative U.S. income tax liability had positive worldwide income tax liability, and 32.2 percent of these returns had AGI of \$50,000 or more.

Number of High-Income Returns

For 2013, there were nearly 5.6 million individual income tax returns with an AGI of at least \$200,000, and slightly more than 5.6 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 5.8 percent from 2012 and

accounted for 3.8 percent of all returns for 2013. Similarly, the returns with expanded incomes above the \$200,000 threshold also increased 5.8 percent from 2012 and also accounted for 3.8 percent of all returns for 2013.

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

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 1977–2013

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

Footnotes at end of figure.

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 1977–2013—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

[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: This figure is based on U.S. Individual Income Tax Returns. 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, May 2016.

each year after adjusting for inflation and the number and share of returns above this threshold.⁸ For Tax Year 2013, this inflation-adjusted threshold was \$818,830.

Adjusting for inflation, the number of returns above the AGI threshold was 470,906 for Tax Year 2013—0.32 percent of all returns—a 12.0-percent decrease from the previous year. Since

1977, the number of returns above this inflation-adjusted threshold has increased at a rate of approximately 6.7 percent per year. In comparison, the total number of returns has increased 1.5 percent per year since 1977. Similarly, the number of returns above the inflation-adjusted threshold using the expanded income concept was 480,987 for Tax Year 2013—0.33 percent of all

⁸ 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.

returns—an 11.8-percent decrease from the previous year. Since 1977, the number of returns above this threshold has increased 6.0 percent per year.

From 1977 to 2013, the number of returns reporting incomes of \$200,000 or more generally increased annually. 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, e.g., Tax Years 1980, 1981, 1989, 1990, 1991, 1993 and 2013. Many of these years also coincided with economic downturns.⁹

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 5.6 million income tax returns with an AGI of \$200,000 or more, 12,517 showed no U.S. income tax liability for Tax Year 2013 (top panel of Figure D). Also, of the 5.6 million tax

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 1977–2013

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

Footnotes at end of figure.

⁹ 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 1977–2013—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

[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: This figure is based on U.S. Individual Income Tax Returns. 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 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. However, 2007 and 2008 tables, published earlier, 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, May 2016.

returns with expanded income of \$200,000 or more, 25,926 had no U.S. income tax liability. This represents a 38.4-percent decrease for high-AGI returns and 19.8-percent decrease for high expanded-income returns with no U.S. income tax from the number of returns for 2012.

Of the returns with an AGI of \$200,000 or more, 4,266 returns showed no worldwide income tax liability for Tax Year 2013. For returns with an expanded income of \$200,000 or

more, 12,794 had no worldwide income tax liability. This represents a 42.4-percent decrease for high-AGI returns and 4.9-percent decrease for high expanded-income returns with no worldwide income tax, compared to the number of returns for 2012. The decrease for the high-AGI returns without worldwide income tax represents the largest decrease since 1979. One possible explanation for this decrease was the inclusion of the net investment income tax (NIIT), which added a 3.8-percent tax

on investment income for high-income taxpayers after total tax credits were subtracted from income tax.¹⁰ Tax-exempt interest was not subject to the NIIT and may explain why the decrease in high expanded-income returns without worldwide income tax was much smaller.

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 5.5 million returns with incomes of \$200,000 or more as measured by both AGI and expanded income, of which 10,656 returns had no U.S. income tax liability and 2,494 returns had no worldwide income tax.

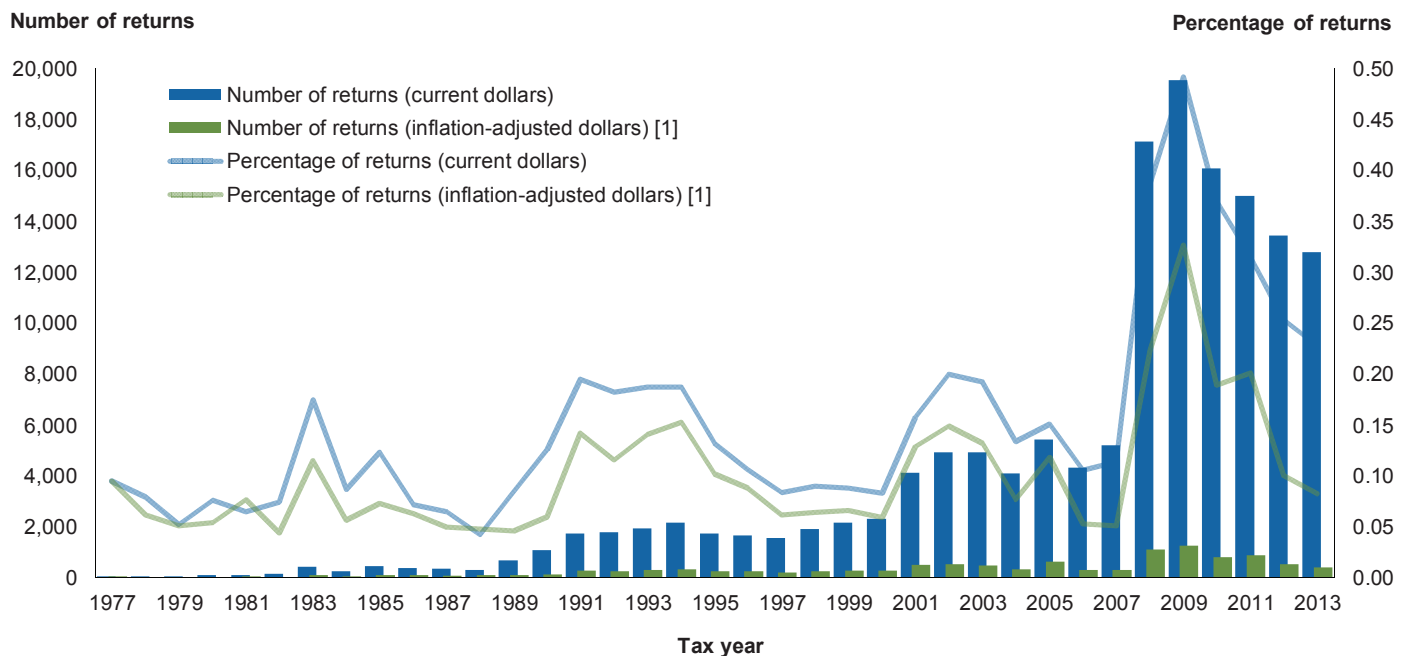
Of the roughly 471,000 returns with an AGI over the inflation-adjusted high-income threshold, 901 returns had no U.S. income tax liability in 2013, down 60.8 percent from the previous year (lower panel of Figure D). Additionally, 217 returns showed no worldwide income tax liability, down 59.4 percent from 2012. Measured using expanded income, of the almost

481,000 returns above the inflation-adjusted threshold, 1,158 returns had no U.S. income tax liability, a 52.7-percent decrease from the number of returns for 2012, as well as 398 returns that showed no worldwide income tax liability, down 27.2 percent from 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, using both a nominal \$200,000 threshold and an inflation-adjusted threshold, while 0.08 percent of high-income returns over the nominal threshold and 0.05 percent of high-income returns above the inflation-adjusted threshold had no worldwide income tax for 2013. When using expanded income with a nominal \$200,000 threshold, 0.5 percent of high-income returns had no U.S. income tax, and 0.2 percent had no worldwide income tax for 2013, while an inflation-adjusted threshold showed that 0.2 percent had no U.S. income tax and 0.1 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

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 1977–2013



[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: This figure is based on U.S. Individual Income Tax Returns. 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. However, 2007 and 2008 tables, published earlier, 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, May 2016.

¹⁰ Tax Year 2013 was the first year for which the NIIT was in effect. (See section 1411 of the Health Care and Education Reconciliation Act of 2010 [P.L. 111-152].)

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 2012, the spread widened considerably. The gap (almost 0.15 percentage points) for 2013 was still high compared with most of the years in this study.¹¹

Reasons for Nontaxability

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

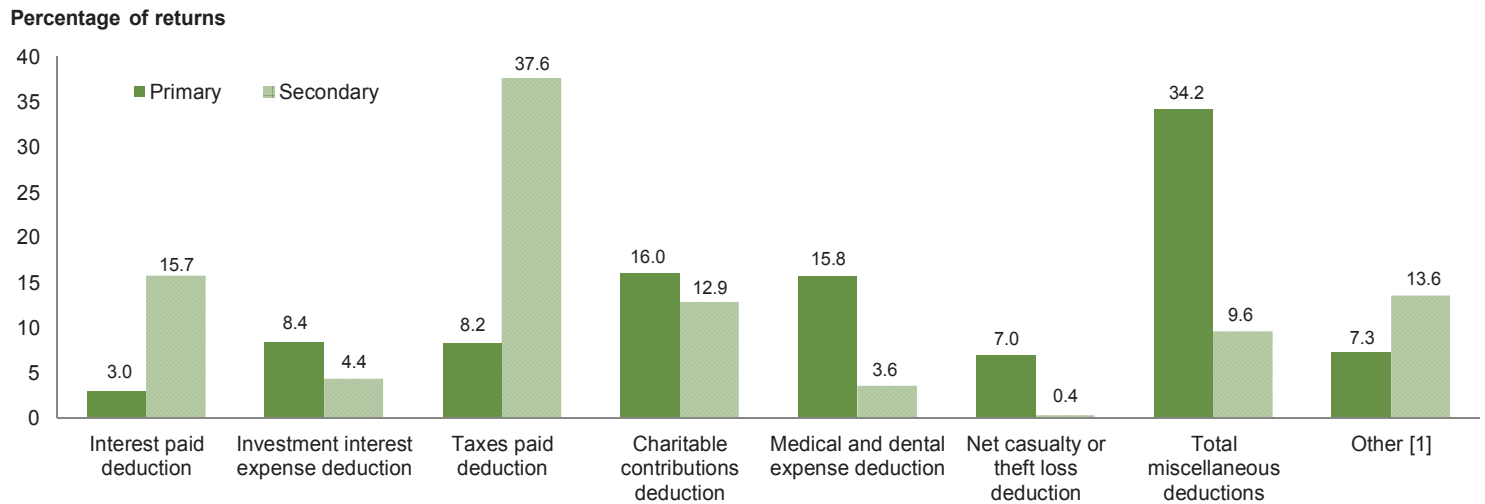
It is possible for certain itemized deductions and certain exclusions from income to lead to nontaxability by themselves, but high-income returns are more often nontaxable for a combination of reasons, none of which alone would result in nontaxability. Moreover, some items, either singly or in combination, 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 \$80,800 for joint returns (\$51,900 for single and head-of-household returns and \$40,400 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.¹² 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 4,266 returns without any worldwide income tax and AGI of \$200,000 or more was total miscellaneous deductions. This was the case in 34.2 percent (1,458 returns) of those returns (Figure F). The

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 2013



[1] Includes 4 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. This figure is based on U.S. Individual Income Tax Returns. 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, May 2016.

¹¹ 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.

¹² 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.

next three categories that most frequently had the largest effect in eliminating taxes were: 1) charitable contributions deduction (16.0 percent or 684 returns); 2) medical and dental expense deduction (15.8 percent or 672 returns); and 3) investment interest expense deduction (8.4 percent or 360 returns). The items that most frequently had the second largest effect in reducing regular tax liability for high-AGI returns with no worldwide income tax were the deduction for taxes paid (37.6 percent or 1,606 returns) and the interest paid deduction (15.7 percent or 671 returns).

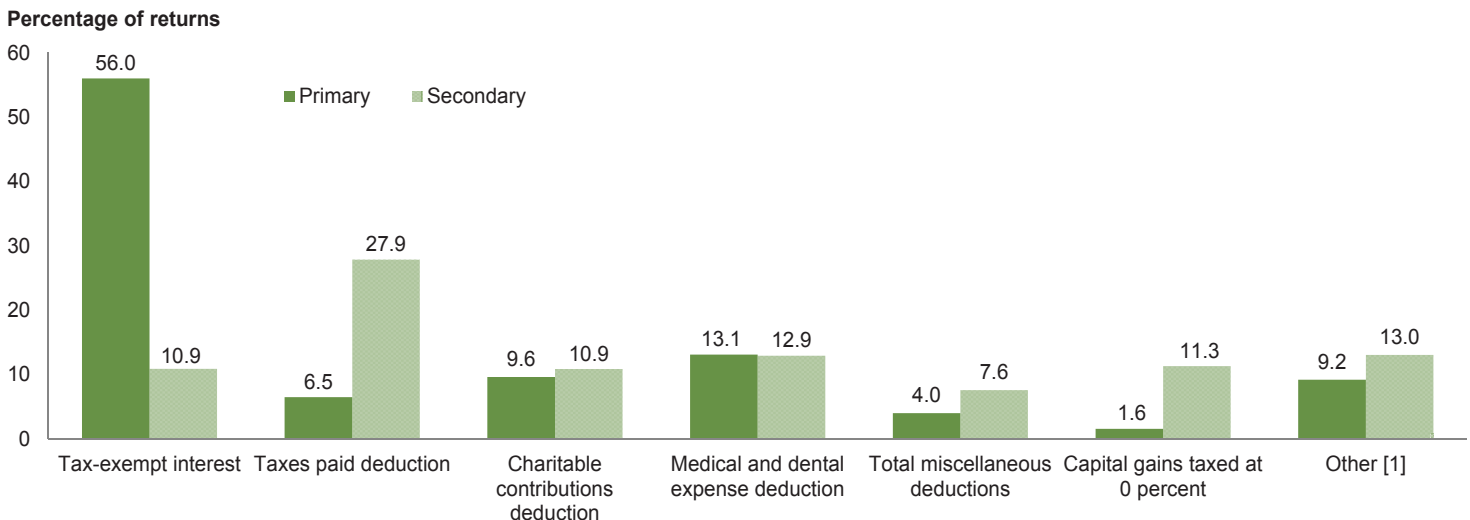
Of the 12,794 returns without any worldwide income tax and expanded incomes of \$200,000 or more, the most important item in eliminating tax, on 56.0 percent of returns, was the exclusion for interest income on State and local Government bonds (“tax-exempt interest”) (Figure G). The next three categories that most frequently had the largest effect in eliminating taxes were: 1) medical and dental expense deduction (13.1 percent or 1,676 returns); 2) charitable contributions deduction (9.6 percent or 1,231 returns); and 3) taxes paid deduction (6.5 percent or 830 returns). The items that most frequently had the second largest effect in reducing regular tax liability on high expanded-income returns with no worldwide income tax were the deduction for taxes paid (27.9 percent or 3,574 returns) and medical and dental expense deduction (12.9 percent or 1,655 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.¹³ 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 62.9 percent of the time. Where this was the primary item, the interest paid deduction was the second most important item 59.3 percent of the time, and the charitable contributions deduction was the second most important item 26.3 percent of the time. The foreign tax credit was the largest reason for nontaxability for both AGI (62.5 percent of the time) and expanded-income returns with no income tax (38.9 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 income by greater than 60 percent of expanded income on 1,226 returns (or 9.6 percent) of the 12,794 returns, but there were no medical and dental expense deductions on 5,574 returns or 43.6 percent. Conversely, the taxes paid deduction reduced income between 0 and 30 percent of expanded income on 10,093 returns (or 78.9 percent) of the 12,794 returns, but reduced income by greater than 60 percent on only 547 returns. Tables 9 and 10 report the frequencies of returns in finer detail by the percentage of income 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 2013



[1] Does not include returns where there was no secondary reason for nontaxability.
 NOTES: Detail may not add to 100 percent because of rounding. This figure is based on U.S. Individual Income Tax Returns. 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, High-Income Tax Returns, May 2016.

¹³ 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 between 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 2013

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	12,794	1,129	4,168	3,404	4,093
Interest paid deduction:					
Total	12,794	9,019	3,678	55	41
Investment interest expense deduction per income concept	12,794	9,937	2,776	43	38
Taxes paid deduction	12,794	1,179	10,093	975	547
Charitable contributions deduction	12,794	2,179	9,262	1,307	45
Medical and dental expense deduction	12,794	5,574	5,201	793	1,226
Net casualty or theft loss deduction	12,794	12,443	35	34	282
Net limited miscellaneous deduction per income concept	12,794	4,710	7,029	625	430
Non-limited miscellaneous deduction	12,794	11,613	1,163	11	5
Deduction equivalent of:					
Total credits	12,794	12,099	464	155	75
Foreign tax credit	12,794	12,794	0	0	0
General business credit	12,794	12,553	107	113	20
Refundable tax credits used to offset income tax before credits	12,794	12,790	0	0	4
Tax preferences excluded from adjusted gross income	12,794	1,658	2,665	3,295	5,176
Nontaxable Social Security benefits	12,794	5,674	7,120	0	0
Capital gains taxed at 0 percent	12,794	7,428	5,134	232	0

NOTES: Detail may not add to totals because of rounding. This table is based on U.S. Individual Income Tax Returns. 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, January 2016.

Distribution of Tax Levels

Figure I shows 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.¹⁴ 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—was able to 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

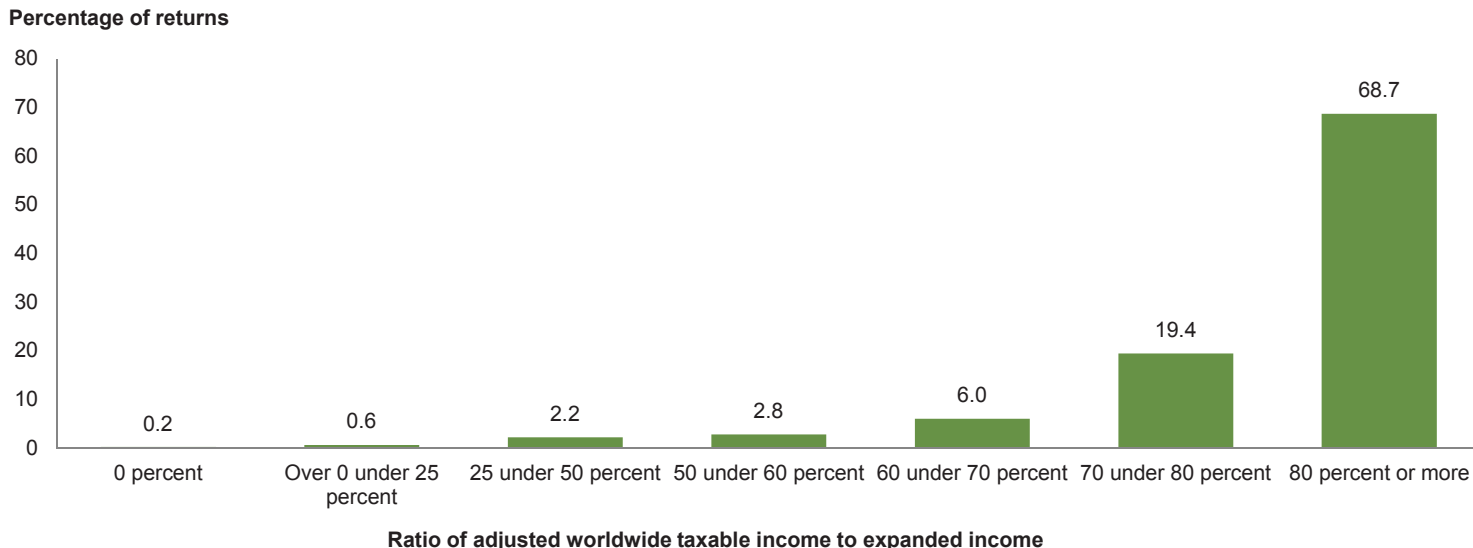
their adjusted taxable income to less than 25 percent of their expanded income.

- Overall, most high-income taxpayers were subject to tax on a large share of their income (68.7 percent of high expanded-income taxpayers had adjusted taxable income equal to 80 percent or more of expanded income; and 96.9 percent had adjusted taxable income equal to 50 percent or more of expanded income).

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, 21.3 percent had effective tax rates of 25 percent or more. Also, 28.5 percent had effective tax rates between 20 and 25 percent. In contrast, only 2.5 percent of taxpayers with an expanded income between \$100,000 and \$200,000

¹⁴ See Appendix B for a description of how the deduction equivalent of credits was computed.

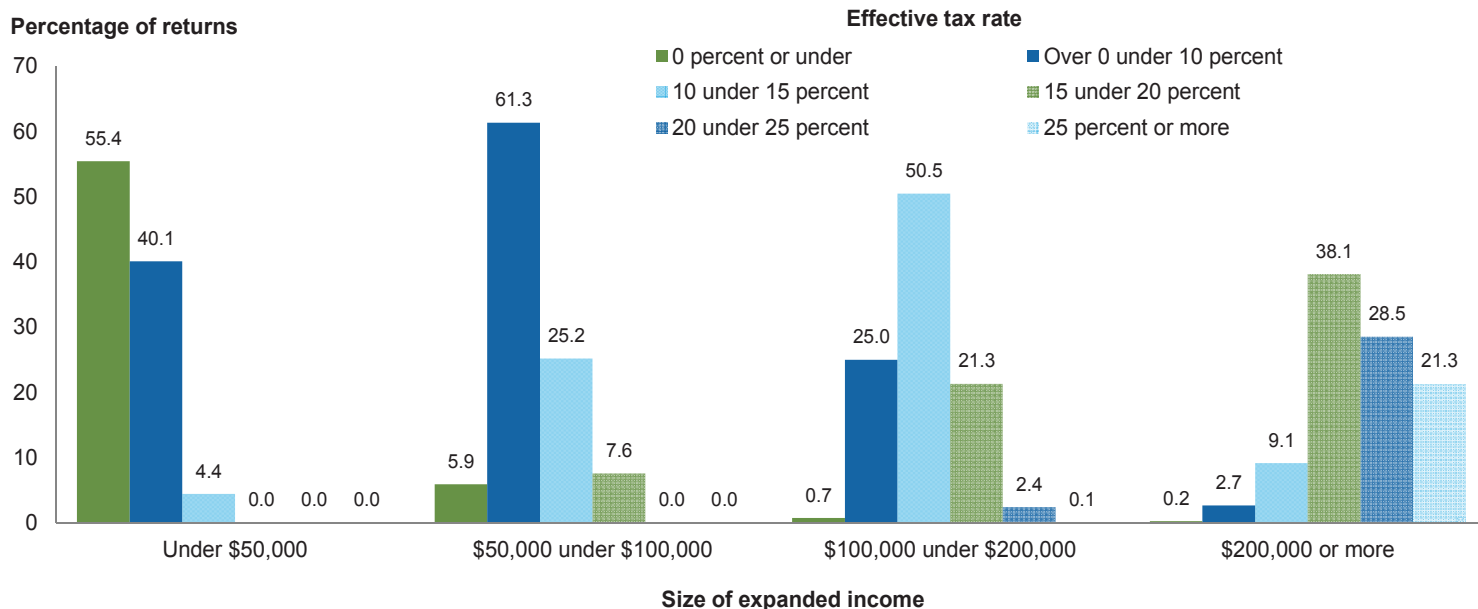
Figure I
Distribution of Returns With Expanded Income of \$200,000 or More, by Ratio of Adjusted Worldwide Taxable Income to Expanded Income, Tax Year 2013



NOTES: Detail may not add to 100 percent because of rounding. This figure is based on U.S. Individual Income Tax Returns. 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, May 2016.

Figure J
Distribution of Effective Worldwide Income Tax Rate by Size of Expanded Income, Tax Year 2013



NOTES: Detail may not add to 100 percent because of rounding. This figure is based on U.S. Individual Income Tax Returns. 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, May 2016.

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 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 (87.0 percent) than taxable returns (27.3 percent) to have tax-exempt interest, and when they did, the average amount for nontaxable returns (\$234,576) was much higher than the average amount for all taxable returns (\$28,794) (Figure K). Similarly, nontaxable returns (37.4 percent) were much less likely than high-income taxable returns (87.5 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 2013

Tables 1 through 12 present data based on income tax returns for 2013, 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. 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).

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.

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Figure K

Returns With Expanded Income of \$200,000 or More: Percentage and Average for Selected Items, Tax Year 2013

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	87.5	303,481	37.4	88,198
Tax-exempt interest	27.3	28,794	87.0	234,576
Qualified dividends	66.3	26,636	87.2	47,017
Social Security benefits (nontaxable)	18.1	4,488	55.7	4,005
Medical and dental expense deduction	2.7	26,136	56.4	67,793
Net limited miscellaneous deductions per adjusted gross income concept	15.1	24,074	64.1	42,794

NOTES: This figure is based on U.S. Individual Income Tax Returns. 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, May 2016.

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1136, online version only (<https://www.irs.gov/pub/irs-soi/soi-a-inhint-id1510.pdf>).

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 identified (both additions and subtractions) from items reported on tax returns.

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 or not realized), 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. In particular, 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.

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 in excess of 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,

Figure L Derivation of Expanded Income From Adjusted Gross Income, Tax Years 1977–2013

Adjusted gross income (AGI)

- PLUS:
- Excluded capital gains (tax years prior to 1987)
 - Tax-exempt interest (1987 and later tax years)
 - Nontaxable Social Security benefits (1987 and later tax years)
 - Tax preferences for alternative minimum tax purposes [A5]
 - Foreign-earned income exclusion (1990 and later tax years)
- MINUS:
- Unreimbursed employee business expenses [A4]
 - Nondeductible rental losses (Tax Year 1987)
 - Moving expense deduction (Tax Years 1987 through 1993) [A4]
 - Investment interest expense deduction to the extent it does not exceed investment income
 - Miscellaneous itemized deductions not subject to the 2-percent-of-AGI floor (1989 and later tax years)
- EQUALS: ● Expanded income

NOTE: 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, May 2016.

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. As a result 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 taken into account 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 expense. 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 expense 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 particular 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 unreimbursed employee business expense and the moving expense deduction 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 non-limited 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 brief 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.

As a result of 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)

Figure M
Derivation of “U.S. Income Tax” and “Worldwide Income Tax,”
Tax Year 2013

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)
EQUALS:	Income tax before credits
MINUS:	Tax credits (nonrefundable)
PLUS:	Net investment tax
MINUS:	Refundable tax credits [1]
EQUALS:	U.S. 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, 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, May 2016.

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 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. In particular, 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.

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Table 1. Individual Income Tax Returns With and Without U.S. Income Tax: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2013

[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	147,351,299	93,564,192	31,803,416	16,425,446	5,558,244
Under \$50,000 [1]	91,119,995	90,357,822	749,808	7,707	4,658
\$50,000 under \$100,000	34,188,397	3,130,104	30,562,566	490,685	5,041
\$100,000 under \$200,000	16,426,852	72,638	483,613	15,774,678	95,923
\$200,000 or more	5,616,056	3,628	7,429	152,376	5,452,622
Returns with U.S. income tax					
Total	94,532,494	42,342,394	30,326,124	16,318,248	5,545,728
Under \$50,000 [1]	40,522,779	39,910,648	604,945	3,801	3,385
\$50,000 under \$100,000	32,140,659	2,398,973	29,255,397	481,426	4,863
\$100,000 under \$200,000	16,278,926	32,536	461,171	15,689,705	95,513
\$200,000 or more	5,590,130	236	4,611	143,316	5,441,966
Returns without U.S. income tax					
Total	52,818,806	51,221,799	1,477,292	107,198	12,517
Under \$50,000 [1]	50,597,216	50,447,174	144,863	3,906	1,273
\$50,000 under \$100,000	2,047,738	731,131	1,307,169	9,259	178
\$100,000 under \$200,000	147,926	40,102	22,442	84,973	409
\$200,000 or more	25,926	3,392	2,818	9,060	10,656

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

NOTES: Detail may not add to totals because of rounding. This table is based on U.S. Individual Income Tax Returns. 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, May 2016.

Table 2. Individual Income Tax Returns With and Without Worldwide Income Tax: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2013

[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	147,351,299	93,564,192	31,803,416	16,425,446	5,558,244
Under \$50,000 [1]	91,119,995	90,357,822	749,808	7,707	4,658
\$50,000 under \$100,000	34,188,397	3,130,104	30,562,566	490,685	5,041
\$100,000 under \$200,000	16,426,852	72,638	483,613	15,774,678	95,923
\$200,000 or more	5,616,056	3,628	7,429	152,376	5,452,622
Returns with worldwide income tax					
Total	94,704,572	42,459,079	30,353,219	16,338,296	5,553,978
Under \$50,000 [1]	40,621,725	40,008,551	605,986	3,803	3,386
\$50,000 under \$100,000	32,174,121	2,410,140	29,277,678	481,430	4,873
\$100,000 under \$200,000	16,305,465	39,784	464,253	15,705,836	95,591
\$200,000 or more	5,603,262	604	5,302	147,227	5,450,129
Returns without worldwide income tax					
Total	52,646,727	51,105,113	1,450,197	87,150	4,266
Under \$50,000 [1]	50,498,270	50,349,271	143,822	3,904	1,272
\$50,000 under \$100,000	2,014,276	719,964	1,284,888	9,255	169
\$100,000 under \$200,000	121,388	32,854	19,360	68,842	332
\$200,000 or more	12,794	3,025	2,127	5,149	2,494

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

NOTES: Detail may not add to totals because of rounding. This table is based on U.S. Individual Income Tax Returns. 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, May 2016.

Table 3. Individual Income Tax Returns With and Without U.S. Income Tax 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 2013

[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	5,558,244	100.0	100.0	5,616,056	100.0	100.0
Returns without U.S. income tax	12,517	0.2	0.2	25,926	0.5	0.5
Returns with U.S. income tax: Total	5,545,728	99.8	N/A	5,590,130	99.5	N/A
Ratio of adjusted taxable income to income per concept:						
Over 0 under 5 percent	15,626	0.3	0.3	22,078	0.4	0.4
5 under 10 percent	10,734	0.2	0.5	13,833	0.2	0.6
10 under 15 percent	9,342	0.2	0.6	10,827	0.2	0.8
15 under 20 percent	8,248	0.1	0.8	13,115	0.2	1.1
20 under 25 percent	11,102	0.2	1.0	15,757	0.3	1.3
25 under 30 percent	12,305	0.2	1.2	17,767	0.3	1.7
30 under 35 percent	16,829	0.3	1.5	23,165	0.4	2.1
35 under 40 percent	19,544	0.4	1.9	26,384	0.5	2.5
40 under 45 percent	27,498	0.5	2.4	38,752	0.7	3.2
45 under 50 percent	35,823	0.6	3.0	48,631	0.9	4.1
50 under 60 percent	139,618	2.5	5.5	169,773	3.0	7.1
60 under 70 percent	324,366	5.8	11.4	348,256	6.2	13.3
70 under 80 percent	1,127,455	20.3	31.6	1,097,271	19.5	32.9
80 percent or more	3,787,237	68.1	99.8	3,744,519	66.7	99.5

N/A—Not applicable.

NOTES: Detail may not add to totals because of rounding. This table is based on U.S. Individual Income Tax Returns. 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, May 2016.

Table 4. Individual Income Tax Returns With and Without Worldwide Income Tax 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 2013

[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	5,558,244	100.0	100.0	5,616,056	100.0	100.0
Returns without worldwide income tax	4,266	0.1	0.1	12,794	0.2	0.2
Returns with worldwide income tax: Total	5,553,978	99.9	N/A	5,603,262	99.8	N/A
Ratio of adjusted taxable income to income per concept:						
Over 0 under 5 percent	4,085	0.1	0.1	4,521	0.1	0.1
5 under 10 percent	4,713	0.1	0.2	6,628	0.1	0.2
10 under 15 percent	4,830	0.1	0.2	6,293	0.1	0.3
15 under 20 percent	4,454	0.1	0.3	8,185	0.1	0.5
20 under 25 percent	7,319	0.1	0.5	10,269	0.2	0.6
25 under 30 percent	6,751	0.1	0.6	10,996	0.2	0.8
30 under 35 percent	10,441	0.2	0.8	17,211	0.3	1.1
35 under 40 percent	14,273	0.3	1.0	19,066	0.3	1.5
40 under 45 percent	23,688	0.4	1.4	33,710	0.6	2.1
45 under 50 percent	31,667	0.6	2.0	43,414	0.8	2.9
50 under 60 percent	124,963	2.2	4.3	154,999	2.8	5.6
60 under 70 percent	310,820	5.6	9.9	335,870	6.0	11.6
70 under 80 percent	1,110,232	20.0	29.8	1,091,188	19.4	31.0
80 percent or more	3,895,743	70.1	99.9	3,860,910	68.7	99.8

N/A—Not applicable.

NOTES: Detail may not add to totals because of rounding. This table is based on U.S. Individual Income Tax Returns. 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, May 2016.

Table 5. Individual Income Tax Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2013

[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	4,913,042	1,491,656,691	4,903,954	1,488,473,692	9,087	3,182,999
Business or profession:						
Net income	1,004,406	105,094,535	1,002,685	104,817,893	1,722	276,642
Net loss	335,373	7,772,583	334,581	7,714,205	792	58,378
Farm:						
Net income	49,625	6,038,721	49,550	6,034,805	75	3,916
Net loss	100,300	4,713,987	100,022	4,689,108	278	24,879
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,637,058	530,711,790	1,635,341	530,345,804	1,717	365,986
Net loss	477,005	40,733,409	475,138	40,313,203	1,867	420,207
Sales of capital assets:						
Net gain	2,402,363	404,263,632	2,398,964	403,499,737	3,399	763,895
Net loss	1,316,537	3,276,550	1,312,945	3,266,898	3,592	9,652
Sales of property other than capital assets:						
Net gain	271,484	18,870,769	270,774	18,842,067	710	28,701
Net loss	302,178	5,906,065	301,330	5,825,686	848	80,379
Taxable interest received	4,598,828	56,197,300	4,590,875	55,918,138	7,953	279,162
Tax-exempt interest	1,442,008	38,092,290	1,439,598	37,925,808	2,410	166,482
Dividends	3,805,395	126,091,574	3,798,799	125,495,166	6,596	596,408
Qualified dividends	3,643,830	96,938,934	3,638,219	96,473,140	5,610	465,794
Pensions and annuities in adjusted gross income	1,240,519	64,090,998	1,238,759	64,006,368	1,760	84,629
Rent:						
Net income	661,716	28,415,657	660,512	28,351,916	1,204	63,741
Net loss, total (deductible and nondeductible)	768,422	12,534,594	766,256	12,448,855	2,166	85,739
Nondeductible rental loss	610,807	8,350,624	609,204	8,308,250	1,603	42,375
Royalty:						
Net income	466,886	19,120,136	465,828	19,096,556	1,057	23,580
Net loss	20,728	200,557	20,671	197,944	57	2,613
Estate or trust:						
Net income	144,149	21,745,251	143,895	21,728,090	255	17,160
Net loss	19,206	2,987,027	19,102	2,962,935	104	24,092
State income tax refunds	1,909,975	9,836,306	1,908,548	9,817,728	1,427	18,579
Alimony received	11,507	1,585,417	11,494	1,583,159	13	2,258
Social Security benefits in adjusted gross income	938,068	23,610,256	935,908	23,556,955	2,161	53,301
Social Security benefits (nontaxable)	938,187	4,192,291	935,998	4,182,291	2,189	9,999
Unemployment compensation	141,891	924,605	141,794	923,761	97	844
Other income	700,847	19,218,415	698,954	18,849,726	1,893	368,689
Other loss	52,266	2,016,855	51,374	1,986,462	892	30,393
Foreign-earned income exclusion	46,631	4,080,914	43,819	3,802,901	2,813	278,013
Total income	5,558,244	2,903,675,532	5,545,728	2,897,994,646	12,517	5,680,886
Statutory adjustments, total	2,253,643	49,608,149	2,250,899	49,557,674	2,744	50,475
Payments to Individual Retirement Arrangements	139,769	1,314,454	139,587	1,313,032	182	1,422
Payments to self-employed retirement (Keogh) plans	435,729	15,159,574	435,529	15,151,714	199	7,860
Moving expenses adjustment	68,027	490,196	67,942	489,485	85	711
Adjusted gross income	5,558,244	2,854,067,383	5,545,728	2,848,436,972	12,517	5,630,411
Investment interest expense deduction	694,787	11,739,239	692,743	11,269,262	2,045	469,977
Total tax preferences excluded from adjusted gross income [2]	1,456,664	40,023,472	1,454,213	39,857,817	2,451	165,655
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	29,513	2,034,241	29,457	2,033,694	56	547
Passive activity loss (alternative minimum tax adjustment)	637,275	923,619	636,136	925,113	1,139	-1,494

Footnotes at end of table.

Table 5. Individual Income Tax Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2013—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	5,558,068	2,869,365,253	5,545,728	2,864,686,842	12,340	4,678,411
Exemption amount	4,100,965	40,965,777	4,090,345	40,864,177	10,620	101,600
Itemized deductions:						
Total per adjusted gross income concept	5,195,351	392,404,872	5,187,588	389,919,083	7,762	2,485,789
Charitable contributions deduction	4,806,183	90,987,238	4,800,677	90,769,718	5,506	217,519
Interest paid deduction:						
Total per adjusted gross income concept	4,234,649	72,031,094	4,228,966	71,442,074	5,683	589,020
Total home mortgage interest	4,025,757	59,990,572	4,020,821	59,872,015	4,936	118,558
Medical and dental expense deduction	128,375	3,724,708	126,860	3,583,411	1,515	141,297
Net casualty or theft loss deduction	5,187	529,819	4,861	410,795	326	119,024
Taxes paid deduction	5,188,938	226,997,939	5,181,801	226,685,365	7,137	312,575
Net limited miscellaneous deductions per adjusted gross income concept	878,006	21,045,708	875,584	20,837,739	2,422	207,970
Non-limited miscellaneous deductions	268,061	13,499,639	266,128	12,573,747	1,933	925,892
Excess of exemptions and deductions over adjusted gross income	9,980	4,444,570	7,414	3,855,844	2,566	588,726
Taxable income	5,548,236	2,420,827,258	5,538,306	2,417,241,485	9,931	3,585,773
Tax at regular rates	5,542,867	662,413,411	5,534,231	661,405,656	8,636	1,007,754
Alternative minimum tax (Form 6251)	3,185,386	25,413,203	3,185,121	25,411,349	265	1,853
Income tax before credits	5,551,617	687,869,359	5,542,929	686,859,419	8,688	1,009,941
Tax credits, total	2,632,025	22,115,278	2,623,337	21,105,338	8,688	1,009,941
Child care credit	516,781	287,026	516,674	286,931	107	44
Minimum tax credit	165,990	803,785	165,825	801,578	165	2,207
Foreign tax credit	1,923,869	17,940,327	1,915,617	16,950,059	8,252	990,268
General business credit	208,367	2,553,189	208,011	2,548,165	356	5,024
Refundable credits used to offset income tax before credits	4,236	18,934	4,227	9,756	* 9	* 9,178
U.S. total income tax	5,545,728	682,217,278	5,545,728	682,217,278	0	0
Taxable income which would yield:						
Income tax before credits	5,551,617	2,294,321,183	5,542,929	2,290,903,368	8,688	3,417,815
Income tax after credits	5,536,295	2,232,067,674	5,536,295	2,232,067,674	0	0
U.S. total income tax	5,545,728	2,275,331,380	5,545,728	2,275,331,380	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	5,558,244	2,854,067,383	5,545,728	2,848,436,972	12,517	5,630,411
plus: Total tax preferences excluded from adjusted gross income [2]	1,456,664	40,023,472	1,454,213	39,857,817	2,451	165,655
Social Security benefits (nontaxable)	938,187	4,192,291	935,998	4,182,291	2,189	9,999
Foreign-earned income exclusion	46,631	4,080,914	43,819	3,802,901	2,813	278,013
minus: Investment interest expense deduction	694,787	11,739,239	692,743	11,269,262	2,045	469,977
Non-limited miscellaneous deductions	268,061	13,499,639	266,128	12,573,747	1,933	925,892
Unreimbursed employee business expenses	1,033,800	7,759,929	1,033,083	7,750,131	717	9,798
Equals: Expanded income	5,558,068	2,869,365,253	5,545,728	2,864,686,842	12,340	4,678,411

Footnotes at end of table.

Table 5. Individual Income Tax Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2013—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	4,905,958	1,487,835,170	4,889,462	1,483,418,150	16,496	4,417,019
Business or profession:						
Net income	1,013,530	105,677,140	1,010,232	105,326,023	3,298	351,117
Net loss	334,578	7,784,052	333,264	7,669,900	1,314	114,151
Farm:						
Net income	50,463	6,068,675	50,350	6,063,727	113	4,949
Net loss	101,522	4,807,530	101,095	4,775,005	428	32,525
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,654,055	531,420,433	1,650,717	531,055,950	3,339	364,482
Net loss	489,958	41,164,172	485,467	40,334,331	4,491	829,841
Sales of capital assets:						
Net gain	2,452,478	405,781,534	2,443,976	404,739,983	8,502	1,041,551
Net loss	1,357,443	3,392,430	1,348,062	3,366,481	9,381	25,949
Sales of property other than capital assets:						
Net gain	278,314	18,887,338	276,829	18,851,178	1,485	36,161
Net loss	304,700	5,896,684	303,081	5,797,140	1,620	99,544
Taxable interest received	4,678,311	56,615,925	4,658,776	56,180,836	19,535	435,089
Tax-exempt interest	1,541,800	46,685,208	1,529,551	43,997,219	12,250	2,687,989
Dividends	3,893,896	129,722,538	3,876,308	128,609,616	17,588	1,112,922
Qualified dividends	3,728,753	99,547,783	3,712,957	98,709,989	15,796	837,794
Pensions and annuities in adjusted gross income	1,291,783	67,003,348	1,287,451	66,866,825	4,331	136,523
Rent:						
Net income	674,451	28,903,058	672,227	28,816,829	2,223	86,228
Net loss, total (deductible and nondeductible)	777,124	12,627,403	773,015	12,501,590	4,109	125,812
Nondeductible rental loss	613,990	8,424,422	611,624	8,369,550	2,366	54,872
Royalty:						
Net income	485,232	19,301,168	482,290	19,278,085	2,942	23,083
Net loss	21,692	235,359	21,578	232,629	114	2,729
Estate or trust:						
Net income	150,605	21,872,501	149,895	21,849,808	710	22,693
Net loss	20,210	3,000,893	19,940	2,966,426	270	34,467
State income tax refunds	1,904,189	9,828,417	1,900,931	9,802,371	3,258	26,047
Alimony received	11,645	1,593,381	11,630	1,591,320	15	2,061
Social Security benefits in adjusted gross income	1,018,719	25,740,878	1,011,020	25,567,797	7,699	173,082
Social Security benefits (nontaxable)	1,018,880	4,569,320	1,011,119	4,537,317	7,761	32,003
Unemployment compensation	135,587	912,109	135,476	911,142	111	967
Other income	711,639	19,322,568	707,480	18,930,056	4,158	392,512
Other loss	66,450	2,268,703	64,371	2,201,447	2,079	67,257
Foreign-earned income exclusion	83,175	7,894,240	75,207	6,976,150	7,968	918,090
Total income	5,616,055	2,904,392,888	5,590,130	2,898,052,003	25,925	6,340,885
Statutory adjustments, total	2,271,548	50,084,322	2,265,730	49,963,609	5,818	120,713
Payments to Individual Retirement Arrangements	141,323	1,329,903	140,606	1,324,722	717	5,181
Payments to self-employed retirement (Keogh) plans	440,702	15,422,698	439,765	15,381,431	937	41,268
Moving expenses adjustment	68,220	491,588	67,780	487,910	440	3,678
Adjusted gross income	5,616,055	2,854,308,566	5,590,130	2,848,088,394	25,925	6,220,172
Investment interest expense deduction	701,731	10,716,275	698,103	10,413,027	3,628	303,248
Total tax preferences excluded from adjusted gross income [2]	1,558,571	48,876,041	1,546,254	46,184,668	12,316	2,691,372
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	32,719	2,293,463	32,612	2,288,767	106	4,696
Passive activity loss (alternative minimum tax adjustment)	652,051	977,257	649,097	979,299	2,954	-2,042

Footnotes at end of table.

Table 5. Individual Income Tax Returns With and Without U.S. Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2013—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	5,616,056	2,891,159,374	5,590,130	2,881,642,719	25,926	9,516,654
Exemption amount	4,162,493	41,214,989	4,138,026	40,988,812	24,467	226,178
Itemized deductions:						
Total per adjusted gross income concept	5,214,924	386,456,078	5,198,225	383,821,519	16,699	2,634,559
Total per expanded income concept	5,214,413	401,140,668	5,197,757	398,812,107	16,656	2,328,561
Charitable contributions deduction	4,826,457	91,635,047	4,812,756	91,234,073	13,700	400,974
Interest paid deduction:						
Total per adjusted gross income concept	4,211,727	70,508,844	4,202,302	70,038,854	9,425	469,991
Total per expanded income concept	4,000,028	59,792,569	3,992,551	59,625,827	7,477	166,742
Total home mortgage interest	3,991,583	59,498,505	3,984,140	59,332,331	7,443	166,174
Medical and dental expense deduction	158,578	4,445,386	150,769	3,945,608	7,809	499,778
Net casualty or theft loss deduction	6,124	573,530	5,765	446,129	359	127,401
Taxes paid deduction	5,207,572	227,729,020	5,191,703	227,033,908	15,869	695,113
Net limited miscellaneous deductions per adjusted gross income concept	855,075	20,738,515	845,857	20,290,951	9,218	447,564
Non-limited miscellaneous deductions	243,248	7,185,226	241,829	7,170,543	1,419	14,683
Excess of exemptions and deductions over adjusted gross income	14,311	4,519,784	7,033	3,614,898	7,278	904,885
Taxable income	5,601,736	2,426,400,259	5,583,094	2,422,228,909	18,642	4,171,349
Tax at regular rates	5,591,126	663,436,110	5,577,450	662,299,902	13,676	1,136,209
Alternative minimum tax (Form 6251)	3,163,997	25,381,505	3,163,660	25,379,204	337	2,301
Income tax before credits	5,601,838	688,860,369	5,588,072	687,721,524	13,766	1,138,844
Tax credits, total	2,693,339	22,653,335	2,679,573	21,514,491	13,766	1,138,844
Child care credit	505,884	279,954	505,679	279,878	205	76
Minimum tax credit	170,265	808,866	169,958	806,462	307	2,404
Foreign tax credit	1,993,661	18,466,424	1,980,536	17,348,792	13,125	1,117,632
General business credit	209,519	2,551,477	209,078	2,545,931	441	5,547
Refundable credits used to offset income tax before credits	5,634	21,328	5,625	12,150	* 9	* 9,178
U.S. total income tax	5,590,130	682,666,685	5,590,130	682,666,685	0	0
Taxable income which would yield:						
Income tax before credits	5,601,838	2,299,371,225	5,588,072	2,295,339,388	13,766	4,031,837
Income tax after credits	5,579,859	2,234,820,909	5,579,859	2,234,820,909	0	0
U.S. total income tax	5,590,130	2,278,067,606	5,590,130	2,278,067,606	0	0
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	5,616,055	2,854,308,566	5,590,130	2,848,088,394	25,925	6,220,172
plus: Total tax preferences excluded from adjusted gross income [2]	1,558,571	48,876,041	1,546,254	46,184,668	12,316	2,691,372
Social Security benefits (nontaxable)	1,018,880	4,569,320	1,011,119	4,537,317	7,761	32,003
Foreign-earned income exclusion	83,175	7,894,240	75,207	6,976,150	7,968	918,090
minus: Investment interest expense deduction	701,731	10,716,275	698,103	10,413,027	3,628	303,248
Non-limited miscellaneous deductions	243,248	7,185,226	241,829	7,170,543	1,419	14,683
Unreimbursed employee business expenses	969,052	6,566,715	967,399	6,556,091	1,654	10,625
Equals: Expanded income	5,616,056	2,891,159,374	5,590,130	2,881,642,719	25,926	9,516,654

* Estimate should be used with caution because of the small number of sample returns on which it is based.

[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.

NOTES: Detail may not add to totals because of rounding. This table is based on U.S. Individual Income Tax Returns. 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, May 2016.

Table 6. Individual Income Tax Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2013

[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	4,913,042	1,491,656,691	4,911,173	1,491,432,638	1,869	224,053
Business or profession:						
Net income	1,004,406	105,094,535	1,003,635	105,021,449	772	73,086
Net loss	335,373	7,772,583	334,875	7,724,270	498	48,313
Farm:						
Net income	49,625	6,038,721	49,569	6,035,098	56	3,623
Net loss	100,300	4,713,987	100,150	4,701,366	150	12,621
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,637,058	530,711,790	1,635,963	530,572,470	1,096	139,320
Net loss	477,005	40,733,409	475,701	40,377,438	1,304	355,972
Sales of capital assets:						
Net gain	2,402,363	404,263,632	2,400,388	403,828,460	1,975	435,172
Net loss	1,316,537	3,276,550	1,315,225	3,272,795	1,312	3,755
Sales of property other than capital assets:						
Net gain	271,484	18,870,769	270,912	18,850,258	571	20,510
Net loss	302,178	5,906,065	301,603	5,854,593	575	51,472
Taxable interest received	4,598,828	56,197,300	4,595,452	56,005,447	3,376	191,852
Tax-exempt interest	1,442,008	38,092,290	1,440,178	37,947,545	1,830	144,745
Dividends	3,805,395	126,091,574	3,802,518	125,839,136	2,877	252,438
Qualified dividends	3,643,830	96,938,934	3,641,041	96,763,151	2,789	175,783
Pensions and annuities in adjusted gross income	1,240,519	64,090,998	1,239,319	64,038,275	1,200	52,723
Rent:						
Net income	661,716	28,415,657	661,142	28,383,206	574	32,450
Net loss, total (deductible and nondeductible)	768,422	12,534,594	767,666	12,496,682	756	37,912
Nondeductible rental loss	610,807	8,350,624	610,328	8,332,283	479	18,341
Royalty:						
Net income	466,886	19,120,136	466,074	19,102,027	811	18,109
Net loss	20,728	200,557	20,684	198,164	44	2,393
Estate or trust:						
Net income	144,149	21,745,251	143,947	21,731,193	202	14,058
Net loss	19,206	2,987,027	19,115	2,963,165	91	23,862
State income tax refunds	1,909,975	9,836,306	1,909,073	9,821,879	902	14,427
Alimony received	11,507	1,585,417	11,501	1,584,710	* 5	* 706
Social Security benefits in adjusted gross income	938,068	23,610,256	936,203	23,562,921	1,866	47,335
Social Security benefits (nontaxable)	938,187	4,192,291	936,321	4,183,916	1,866	8,374
Unemployment compensation	141,891	924,605	141,823	923,998	69	607
Other income	700,847	19,218,415	699,948	19,183,521	900	34,894
Other loss	52,266	2,016,855	52,193	2,011,180	73	5,675
Foreign-earned income exclusion	46,631	4,080,914	46,621	4,079,950	11	964
Total income	5,558,244	2,903,675,532	5,553,978	2,902,110,971	4,266	1,564,561
Statutory adjustments, total	2,253,643	49,608,149	2,252,030	49,583,114	1,613	25,034
Payments to Individual Retirement Arrangements	139,769	1,314,454	139,707	1,313,934	62	521
Payments to self-employed retirement (Keogh) plans	435,729	15,159,574	435,632	15,155,629	97	3,945
Moving expenses adjustment	68,027	490,196	68,016	490,073	11	123
Adjusted gross income	5,558,244	2,854,067,383	5,553,978	2,852,527,856	4,266	1,539,527
Investment interest expense deduction	694,787	11,739,239	693,355	11,525,901	1,432	213,338
Total tax preferences excluded from adjusted gross income [2]	1,456,664	40,023,472	1,454,806	39,879,561	1,858	143,911
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	29,513	2,034,241	29,474	2,033,819	39	422
Passive activity loss (alternative minimum tax adjustment)	637,275	923,619	636,507	925,429	768	-1,809

Footnotes at end of table.

Table 6. Individual Income Tax Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2013—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	5,558,068	2,869,365,253	5,553,978	2,868,810,007	4,090	555,246
Exemption amount	4,100,965	40,965,777	4,097,261	40,929,874	3,703	35,903
Itemized deductions:						
Total per adjusted gross income concept	5,195,351	392,404,872	5,191,108	390,437,014	4,243	1,967,858
Charitable contributions deduction	4,806,183	90,987,238	4,802,856	90,823,048	3,327	164,190
Interest paid deduction:						
Total per adjusted gross income concept	4,234,649	72,031,094	4,231,871	71,751,262	2,777	279,832
Total home mortgage interest	4,025,757	59,990,572	4,023,487	59,924,476	2,270	66,097
Medical and dental expense deduction	128,375	3,724,708	127,158	3,588,960	1,217	135,748
Net casualty or theft loss deduction	5,187	529,819	4,865	411,229	323	118,590
Taxes paid deduction	5,188,938	226,997,939	5,184,794	226,753,742	4,144	244,197
Net limited miscellaneous deductions per adjusted gross income concept	878,006	21,045,708	876,196	20,931,321	1,810	114,387
Non-limited miscellaneous deductions	268,061	13,499,639	266,352	12,580,440	1,709	919,199
Excess of exemptions and deductions over adjusted gross income	9,980	4,444,570	7,420	3,856,284	2,560	588,286
Taxable income	5,548,236	2,420,827,258	5,546,551	2,420,703,837	1,685	123,420
Tax at regular rates	5,542,867	662,413,411	5,542,480	662,398,456	386	14,954
Alternative minimum tax (Form 6251)	3,185,386	25,413,203	3,185,239	25,411,844	147	1,359
Income tax before credits	5,551,617	687,869,359	5,551,180	687,853,046	437	16,313
Tax credits, total	2,632,025	22,115,278	2,631,588	22,098,965	437	16,313
Child care credit	516,781	287,026	516,754	287,007	27	19
Minimum tax credit	165,990	803,785	165,895	801,926	96	1,859
Foreign tax credit	0	0	0	0	0	0
General business credit	208,367	2,553,189	208,151	2,549,787	217	3,402
Refundable credits used to offset income tax before credits	4,236	18,934	4,232	9,787	* 4	* 9,146
Worldwide total income tax	5,553,978	700,996,026	5,553,978	700,996,026	0	0
Foreign taxes paid [3]	1,924,310	18,778,899	** 1,924,310	** 18,778,899	**	**
Foreign taxes paid on excluded foreign-earned income (Form 1116)	27,511	838,572	27,511	838,572	0	0
Taxable income which would yield:						
Income tax before credits	5,551,617	2,294,321,183	5,551,180	2,294,260,147	437	61,037
Income tax after credits [3]	5,550,912	2,284,970,537	** 5,550,912	** 2,284,970,537	**	**
Worldwide total income tax [3]	5,553,980	2,328,049,135	** 5,553,980	** 2,328,049,135	**	**
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	5,558,244	2,854,067,383	5,553,978	2,852,527,856	4,266	1,539,527
plus: Total tax preferences excluded from adjusted gross income [2]	1,456,664	40,023,472	1,454,806	39,879,561	1,858	143,911
Social Security benefits (nontaxable)	938,187	4,192,291	936,321	4,183,916	1,866	8,374
Foreign-earned income exclusion	46,631	4,080,914	46,621	4,079,950	11	964
minus: Investment interest expense deduction	694,787	11,739,239	693,355	11,525,901	1,432	213,338
Non-limited miscellaneous deductions	268,061	13,499,639	266,352	12,580,440	1,709	919,199
Unreimbursed employee business expenses	1,033,800	7,759,929	1,033,466	7,754,936	334	4,994
Equals: Expanded income	5,558,068	2,869,365,253	5,553,978	2,868,810,007	4,090	555,246

Footnotes at end of table.

Table 6. Individual Income Tax Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2013—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	4,905,958	1,487,835,170	4,901,174	1,487,413,230	4,784	421,940
Business or profession:						
Net income	1,013,530	105,677,140	1,011,683	105,577,004	1,846	100,136
Net loss	334,578	7,784,052	333,684	7,681,760	894	102,292
Farm:						
Net income	50,463	6,068,675	50,376	6,064,283	87	4,393
Net loss	101,522	4,807,530	101,245	4,788,266	278	19,264
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,654,055	531,420,433	1,651,533	531,289,601	2,522	130,832
Net loss	489,958	41,164,172	486,284	40,408,373	3,674	755,799
Sales of capital assets:						
Net gain	2,452,478	405,781,534	2,446,292	405,084,771	6,186	696,763
Net loss	1,357,443	3,392,430	1,351,544	3,375,408	5,899	17,022
Sales of property other than capital assets:						
Net gain	278,314	18,887,338	277,043	18,859,691	1,271	27,648
Net loss	304,700	5,896,684	303,457	5,828,626	1,243	68,058
Taxable interest received	4,678,311	56,615,925	4,666,193	56,275,744	12,117	340,181
Tax-exempt interest	1,541,800	46,685,208	1,530,667	44,073,437	11,134	2,611,771
Dividends	3,893,896	129,722,538	3,882,256	128,988,794	11,640	733,744
Qualified dividends	3,728,753	99,547,783	3,717,600	99,023,399	11,153	524,384
Pensions and annuities in adjusted gross income	1,291,783	67,003,348	1,288,386	66,909,722	3,396	93,626
Rent:						
Net income	674,451	28,903,058	673,233	28,852,440	1,217	50,618
Net loss, total (deductible and nondeductible)	777,124	12,627,403	775,386	12,562,987	1,738	64,415
Nondeductible rental loss	613,990	8,424,422	613,257	8,401,202	733	23,220
Royalty:						
Net income	485,232	19,301,168	482,692	19,283,700	2,539	17,469
Net loss	21,692	235,359	21,600	232,874	92	2,485
Estate or trust:						
Net income	150,605	21,872,501	149,983	21,854,099	622	18,402
Net loss	20,210	3,000,893	19,955	2,966,768	255	34,125
State income tax refunds	1,904,189	9,828,417	1,901,722	9,807,455	2,467	20,962
Alimony received	11,645	1,593,381	11,638	1,592,884	* 7	* 497
Social Security benefits in adjusted gross income	1,018,719	25,740,878	1,011,602	25,580,137	7,117	160,741
Social Security benefits (nontaxable)	1,018,880	4,569,320	1,011,760	4,540,807	7,120	28,513
Unemployment compensation	135,587	912,109	135,529	911,637	58	472
Other income	711,639	19,322,568	708,869	19,275,503	2,770	47,065
Other loss	66,450	2,268,703	66,159	2,247,118	291	21,586
Foreign-earned income exclusion	83,175	7,894,240	82,572	7,784,504	603	109,737
Total income	5,616,055	2,904,392,888	5,603,262	2,902,777,191	12,793	1,615,697
Statutory adjustments, total	2,271,548	50,084,322	2,267,510	49,996,478	4,037	87,844
Payments to Individual Retirement Arrangements	141,323	1,329,903	140,863	1,326,672	460	3,231
Payments to self-employed retirement (Keogh) plans	440,702	15,422,698	439,889	15,385,607	813	37,091
Moving expenses adjustment	68,220	491,588	67,897	488,904	322	2,684
Adjusted gross income	5,616,055	2,854,308,566	5,603,262	2,852,780,713	12,793	1,527,853
Investment interest expense deduction	701,731	10,716,275	698,868	10,665,355	2,864	50,920
Total tax preferences excluded from adjusted gross income [2]	1,558,571	48,876,041	1,547,384	46,261,489	11,187	2,614,552
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	32,719	2,293,463	32,638	2,289,429	81	4,034
Passive activity loss (alternative minimum tax adjustment)	652,051	977,257	649,709	979,538	2,342	-2,282

Footnotes at end of table.

Table 6. Individual Income Tax Returns With and Without Worldwide Income Tax and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2013—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	5,616,056	2,891,159,374	5,603,262	2,886,961,657	12,794	4,197,717
Exemption amount	4,162,493	41,214,989	4,149,830	41,104,708	12,664	110,282
Itemized deductions:						
Total per adjusted gross income concept	5,214,924	386,456,078	5,203,249	384,384,138	11,675	2,071,940
Total per expanded income concept	5,214,413	401,140,668	5,202,739	399,133,144	11,674	2,007,524
Charitable contributions deduction	4,826,457	91,635,047	4,815,841	91,299,354	10,616	335,693
Interest paid deduction:						
Total per adjusted gross income concept	4,211,727	70,508,844	4,206,319	70,360,920	5,408	147,924
Total per expanded income concept	4,000,028	59,792,569	3,996,252	59,695,565	3,776	97,004
Total home mortgage interest	3,991,583	59,498,505	3,987,835	59,401,956	3,748	96,549
Medical and dental expense deduction	158,578	4,445,386	151,357	3,955,850	7,221	489,536
Net casualty or theft loss deduction	6,124	573,530	5,773	446,773	351	126,757
Taxes paid deduction	5,207,572	227,729,020	5,195,949	227,116,053	11,623	612,967
Net limited miscellaneous deductions per adjusted gross income concept	855,075	20,738,515	846,880	20,387,822	8,195	350,693
Non-limited miscellaneous deductions	243,248	7,185,226	242,067	7,175,113	1,182	10,113
Excess of exemptions and deductions over adjusted gross income	14,311	4,519,784	7,102	3,615,992	7,209	903,792
Taxable income	5,601,736	2,426,400,259	5,596,157	2,426,163,709	5,579	236,549
Tax at regular rates	5,591,126	663,436,110	5,590,515	663,420,915	611	15,195
Alternative minimum tax (Form 6251)	3,163,997	25,381,505	3,163,811	25,379,810	185	1,695
Income tax before credits	5,601,838	688,860,369	5,601,138	688,843,478	699	16,891
Tax credits, total	2,693,339	22,653,335	2,692,640	22,636,444	699	16,891
Child care credit	505,884	279,954	505,844	279,929	40	26
Minimum tax credit	170,265	808,866	170,122	806,954	144	1,912
Foreign tax credit	0	0	0	0	0	0
General business credit	209,519	2,551,477	209,278	2,547,871	241	3,606
Refundable tax credits used to offset income tax before credits	5,634	21,328	5,630	12,182	* 4	* 9,146
Worldwide total income tax	5,603,262	702,474,393	5,603,262	702,474,393	0	0
Foreign taxes paid [3]	1,994,170	19,807,892	1,994,111	19,807,882	59	10
Foreign taxes paid on excluded foreign-earned income (Form 1116)	41,016	1,341,468	41,016	1,341,468	0	0
Taxable income which would yield:						
Income tax before credits	5,601,838	2,299,371,225	5,601,138	2,299,306,132	699	65,093
Income tax after credits [3]	5,601,039	2,291,515,559	5,600,980	2,291,515,459	59	100
Worldwide total income tax [3]	5,603,322	2,334,570,089	5,603,262	2,334,569,145	60	944
Reconciliation of adjusted gross income and expanded income:						
Adjusted gross income	5,616,055	2,854,308,566	5,603,262	2,852,780,713	12,793	1,527,853
plus: Total tax preferences excluded from adjusted gross income [2]	1,558,571	48,876,041	1,547,384	46,261,489	11,187	2,614,552
Social Security benefits (nontaxable)	1,018,880	4,569,320	1,011,760	4,540,807	7,120	28,513
Foreign-earned income exclusion	83,175	7,894,240	82,572	7,784,504	603	109,737
minus: Investment interest expense deduction	701,731	10,716,275	698,868	10,665,355	2,864	50,920
Non-limited miscellaneous deductions	243,248	7,185,226	242,067	7,175,113	1,182	10,113
Unreimbursed employee business expenses	969,052	6,566,715	967,911	6,561,238	1,142	5,478
Equals: Expanded income	5,616,056	2,891,159,374	5,603,262	2,886,961,657	12,794	4,197,717

* Estimate should be used with caution because of the small number of sample returns on which it is based.

** 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.

NOTES: Detail may not add to totals because of rounding. This table is based on U.S. Individual Income Tax Returns. 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, May 2016.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax 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 2013

[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		Investment interest expense deduction [1]		Taxes paid deduction	
	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	5,343,921	100.0	776,018	14.5	32,150	0.6	3,551,077	66.5
Interest paid deduction	2,184,237	40.9	0	0.0	4,703	14.6	2,057,193	57.9
Investment interest expense deduction [1]	54,714	1.0	2,793	0.4	0	0.0	39,402	1.1
Taxes paid deduction	1,282,726	24.0	705,884	91.0	17,418	54.2	0	0.0
Charitable contributions deduction	1,126,605	21.1	46,101	5.9	4,348	13.5	1,038,326	29.2
Medical and dental expense deduction	27,853	0.5	1,423	0.2	22	0.1	19,966	0.6
Net casualty or theft loss deduction	1,002	[3]	299	[3]	0	0.0	692	[3]
Total miscellaneous deductions	243,919	4.6	14,168	1.8	1,655	5.1	192,956	5.4
Foreign tax credit	91,736	1.7	721	0.1	933	2.9	68,500	1.9
General business credit	31,035	0.6	911	0.1	635	2.0	23,386	0.7
Refundable tax credits used to offset income tax before credits	118	[3]	0	0.0	0	0.0	67	[3]
All other tax credits	49,536	0.9	2,127	0.3	214	0.7	36,492	1.0
Capital gains taxed at 0 percent	53,130	1.0	** 1,590	** 0.2	** 2,223	** 6.9	24,843	0.7
No second largest item	197,310	3.7	**	**	**	**	49,255	1.4
Returns with expanded income of \$200,000 or more								
Total	5,445,883	100.0	764,682	14.0	0	0.0	3,426,130	62.9
Interest paid deduction	2,156,514	39.6	0	0.0	0	0.0	2,032,410	59.3
Tax-exempt interest [2]	238,664	4.4	841	0.1	0	0.0	162,411	4.7
Taxes paid deduction	1,300,120	23.9	705,781	92.3	0	0.0	0	0.0
Charitable contributions deduction	1,002,016	18.4	46,802	6.1	0	0.0	902,491	26.3
Medical and dental expense deduction	29,483	0.5	1,423	0.2	0	0.0	17,888	0.5
Net casualty or theft loss deduction	1,638	[3]	298	[3]	0	0.0	725	[3]
Total miscellaneous deductions	97,170	1.8	2,407	0.3	0	0.0	60,121	1.8
Foreign tax credit	107,839	2.0	511	0.1	0	0.0	45,674	1.3
General business credit	29,330	0.5	911	0.1	0	0.0	21,182	0.6
Refundable tax credits used to offset income tax before credits	144	[3]	0	0.0	0	0.0	52	[3]
All other tax credits	51,781	1.0	2,719	0.4	0	0.0	33,935	1.0
Foreign-earned income exclusion [2]	33,115	0.6	0	0.0	0	0.0	561	[3]
AMT tax preference [2]	2,302	[3]	0	0.0	0	0.0	874	[3]
Nontaxable Social Security benefits [2]	148,263	2.7	1,398	0.2	0	0.0	82,618	2.4
Capital gains taxed at 0 percent	63,897	1.2	1,582	0.2	0	0.0	21,396	0.6
No second largest item	183,606	3.4	10	[3]	0	0.0	43,793	1.3

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax 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 2013—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		Net casualty or theft loss deduction		Total miscellaneous deductions	
	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	413,187	7.7	35,394	0.7	2,654	[3]	158,815	3.0
Interest paid deduction	60,407	14.6	2,248	6.4	1,057	39.8	20,400	12.8
Investment interest expense deduction [1]	5,011	1.2	507	1.4	3	0.1	2,914	1.8
Taxes paid deduction	310,013	75.0	19,029	53.8	1,432	54.0	106,568	67.1
Charitable contributions deduction	0	0.0	** 4,400	** 12.4	** 24	** 0.9	** 15,129	** 9.5
Medical and dental expense deduction	2,578	0.6	0	0.0	**	**	2,371	1.5
Net casualty or theft loss deduction	6	[3]	**	**	0	0.0	**	**
Total miscellaneous deductions	16,920	4.1	4,307	12.2	123	4.6	0	0.0
Foreign tax credit	1,875	0.5	154	0.4	0	0.0	3,429	2.2
General business credit	2,573	0.6	20	0.1	9	0.4	** 544	** 0.3
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	**	**
All other tax credits	2,197	0.5	139	0.4	0	0.0	773	0.5
Capital gains taxed at 0 percent	11,298	2.7	4,291	12.1	5	0.2	6,235	3.9
No second largest item	310	0.1	299	0.8	0	0.0	452	0.3
Returns with expanded income of \$200,000 or more								
Total	400,002	7.3	35,677	0.7	2,654	[3]	43,065	0.8
Interest paid deduction	61,343	15.3	2,532	7.1	1,061	40.0	1,927	4.5
Tax-exempt interest [2]	19,408	4.9	3,398	9.5	23	0.9	7,875	18.3
Taxes paid deduction	288,994	72.2	16,207	45.4	1,517	57.2	23,463	54.5
Charitable contributions deduction	0	0.0	** 3,891	** 10.9	** 22	** 0.8	** 4,634	** 10.8
Medical and dental expense deduction	2,531	0.6	0	0.0	**	**	349	0.8
Net casualty or theft loss deduction	5	[3]	**	**	0	0.0	**	**
Total miscellaneous deductions	7,046	1.8	2,655	7.4	10	0.4	0	0.0
Foreign tax credit	1,315	0.3	15	[3]	0	0.0	916	2.1
General business credit	2,551	0.6	20	0.1	9	0.4	** 23	** 0.1
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	**	**
All other tax credits	** 2,023	** 0.5	** 4	** [3]	0	0.0	202	0.5
Foreign-earned income exclusion [2]	**	**	**	**	0	0.0	25	0.1
AMT tax preference [2]	633	0.2	0	0.0	0	0.0	100	0.2
Nontaxable Social Security benefits [2]	4,709	1.2	3,250	9.1	7	0.2	5	[3]
Capital gains taxed at 0 percent	9,136	2.3	3,705	10.4	5	0.2	3,503	8.1
No second largest item	308	0.1	0	0.0	0	0.0	43	0.1

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax 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 2013—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		Refundable tax credits used to offset income tax before credits		All other tax credits	
	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	188,271	3.5	37,584	0.7	386	[3]	59,451	1.1
Interest paid deduction	16,273	8.6	5,828	15.5	0	0.0	7,598	12.8
Investment interest expense deduction [1]	1,933	1.0	957	2.5	31	7.9	343	0.6
Taxes paid deduction	48,691	25.9	20,141	53.6	138	35.9	20,050	33.7
Charitable contributions deduction	** 4,314	** 2.3	2,857	7.6	0	0.0	** 2,499	** 4.2
Medical and dental expense deduction	162	0.1	3	[3]	0	0.0	**	**
Net casualty or theft loss deduction	**	**	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	4,203	2.2	260	0.7	0	0.0	111	0.2
Foreign tax credit	0	0.0	2,749	7.3	17	4.5	5,535	9.3
General business credit	** 1,350	** 0.7	0	0.0	0	0.0	926	1.6
Refundable tax credits used to offset income tax before credits	**	**	31	0.1	0	0.0	0	0.0
All other tax credits	4,659	2.5	1,080	2.9	0	0.0	0	0.0
Capital gains taxed at 0 percent	1,792	1.0	307	0.8	0	0.0	556	0.9
No second largest item	104,894	55.7	3,371	9.0	199	51.7	21,833	36.7
Returns with expanded income of \$200,000 or more								
Total	145,268	2.7	35,968	0.7	343	[3]	56,090	1.0
Interest paid deduction	11,054	7.6	6,039	16.8	0	0.0	7,408	13.2
Tax-exempt interest [2]	9,275	6.4	2,241	6.2	0	0.0	2,906	5.2
Taxes paid deduction	38,714	26.7	18,788	52.2	135	39.5	18,559	33.1
Charitable contributions deduction	** 3,564	** 2.5	2,387	6.6	0	0.0	** 2,363	** 4.2
Medical and dental expense deduction	158	0.1	3	[3]	0	0.0	**	**
Net casualty or theft loss deduction	**	**	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	1,220	0.8	13	[3]	0	0.0	55	0.1
Foreign tax credit	0	0.0	1,352	3.8	8	2.4	2,521	4.5
General business credit	** 377	** 0.3	0	0.0	0	0.0	784	1.4
Refundable tax credits used to offset income tax before credits	**	**	31	0.1	0	0.0	0	0.0
All other tax credits	1,775	1.2	1,167	3.2	0	0.0	0	0.0
Foreign-earned income exclusion [2]	32,325	22.3	0	0.0	0	0.0	14	[3]
AMT tax preference [2]	330	0.2	4	[3]	0	0.0	87	0.2
Nontaxable Social Security benefits [2]	2,511	1.7	866	2.4	0	0.0	1,545	2.8
Capital gains taxed at 0 percent	1,125	0.8	269	0.7	0	0.0	519	0.9
No second largest item	42,840	29.5	2,807	7.8	199	58.1	19,329	34.5

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax 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 2013—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									
	Capital gains taxed at 0 percent		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	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)
RETURNS WITH U.S. INCOME TAX										
Returns with adjusted gross income of \$200,000 or more										
Total	88,934	1.7	0	0.0	0	0.0	0	0.0	0	0.0
Interest paid deduction	8,530	9.6	0	0.0	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	820	0.9	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction	33,361	37.5	0	0.0	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	8,615	9.7	0	0.0	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	1,324	1.5	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	0	0.0
Total miscellaneous deductions	9,216	10.4	0	0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	7,823	8.8	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	696	0.8	0	0.0	0	0.0	0	0.0	0	0.0
Refundable tax credits used to offset income tax before credits	6	[3]	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	1,856	2.1	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	0	0.0
No second largest item	16,687	18.8	0	0.0	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more										
Total	85,315	1.6	38,637	0.7	282,892	5.2	9,999	0.2	119,160	2.2
Interest paid deduction	8,279	9.7	5,888	15.2	6,530	2.3	710	7.1	11,332	9.5
Tax-exempt interest [2]	11,078	13.0	777	2.0	0	0.0	371	3.7	18,060	15.2
Taxes paid deduction	26,498	31.1	6,442	16.7	125,517	44.4	5,491	54.9	24,014	20.2
Charitable contributions deduction	7,191	8.4	660	1.7	27,151	9.6	796	8.0	72	0.1
Medical and dental expense deduction	2,075	2.4	139	0.4	4,912	1.7	0	0.0	0	0.0
Net casualty or theft loss deduction	0	0.0	303	0.8	303	0.1	0	0.0	0	0.0
Total miscellaneous deductions	4,970	5.8	101	0.3	18,552	6.6	20	0.2	0	0.0
Foreign tax credit	3,090	3.6	15,103	39.1	25,423	9.0	182	1.8	11,729	9.8
General business credit	681	0.8	0	0.0	1,647	0.6	11	0.1	1,148	1.0
Refundable tax credits used to offset income tax before credits	6	[3]	0	0.0	40	[3]	3	[3]	0	0.0
All other tax credits	974	1.1	312	0.8	3,488	1.2	1,403	14.0	3,803	3.2
Foreign-earned income exclusion [2]	41	[3]	0	0.0	84	[3]	40	0.4	0	0.0
AMT tax preference [2]	13	[3]	0	0.0	213	0.1	0	0.0	49	[3]
Nontaxable Social Security benefits [2]	15,174	17.8	304	0.8	35,558	12.6	320	3.2	0	0.0
Capital gains taxed at 0 percent	0	0.0	1,492	3.9	20,964	7.4	20	0.2	179	0.2
No second largest item	5,245	6.1	7,116	18.4	12,510	4.4	630	6.3	48,774	40.9

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax 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 2013—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					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	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	12,513	100.0	138	1.1	387	3.1	381	3.0
Interest paid deduction	2,175	17.4	0	0.0	57	14.7	54	14.3
Investment interest expense deduction [1]	268	2.1	12	8.7	0	0.0	46	12.0
Taxes paid deduction	2,512	20.1	39	28.4	127	32.8	0	0.0
Charitable contributions deduction	1,015	8.1	34	24.4	71	18.5	119	31.2
Medical and dental expense deduction	179	1.4	10	7.1	9	2.3	30	8.0
Net casualty or theft loss deduction	15	0.1	**	**	**	**	**	**
Total miscellaneous deductions	618	4.9	** 19	** 13.4	** 69	** 17.8	** 78	** 20.5
Foreign tax credit	73	0.6	**	**	10	2.5	**	**
General business credit	** 86	** 0.7	** 8	** 5.5	** 4	** 1.1	** 12	** 3.1
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	132	1.1	**	**	**	**	9	2.3
Capital gains taxed at 0 percent	731	5.8	** 17	** 12.6	** 35	** 9.0	** 33	** 8.6
No second largest item	4,709	37.6	**	**	5	1.4	**	**
Returns with expanded income of \$200,000 or more								
Total	25,923	100.0	121	0.5	0	0.0	853	3.3
Interest paid deduction	1,946	7.5	0	0.0	0	0.0	349	40.9
Tax-exempt interest [2]	1,536	5.9	7	5.4	0	0.0	241	28.3
Taxes paid deduction	4,237	16.3	39	32.5	0	0.0	0	0.0
Charitable contributions deduction	1,765	6.8	26	21.6	0	0.0	111	13.0
Medical and dental expense deduction	1,694	6.5	7	5.4	0	0.0	26	3.1
Net casualty or theft loss deduction	28	0.1	0	0.0	0	0.0	4	0.5
Total miscellaneous deductions	1,040	4.0	11	9.0	0	0.0	54	6.3
Foreign tax credit	2,230	8.6	**	**	0	0.0	3	0.4
General business credit	** 95	** 0.4	** 7	** 5.4	0	0.0	** 11	** 1.3
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	165	0.6	** 4	** 3.6	0	0.0	10	1.1
Foreign-earned income exclusion [2]	4,980	19.2	**	**	0	0.0	4	0.5
AMT tax preference [2]	16	0.1	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [2]	627	2.4	8	6.3	0	0.0	4	0.5
Capital gains taxed at 0 percent	1,884	7.3	** 13	** 10.8	0	0.0	35	4.1
No second largest item	3,681	14.2	**	**	0	0.0	0	0.0

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax 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 2013—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		Net casualty or theft loss deduction		Total miscellaneous deductions	
	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	796	6.4	694	5.5	301	2.4	1,481	11.8
Interest paid deduction	96	12.0	55	7.9	** 83	** 27.5	274	18.5
Investment interest expense deduction [1]	63	7.9	11	1.6	**	**	47	3.1
Taxes paid deduction	171	21.5	250	36.0	157	52.2	812	54.9
Charitable contributions deduction	0	0.0	108	15.5	** 25	** 8.3	155	10.5
Medical and dental expense deduction	43	5.3	0	0.0	**	**	44	2.9
Net casualty or theft loss deduction	**	**	**	**	0	0.0	4	0.3
Total miscellaneous deductions	120	15.1	** 121	** 17.4	** 22	** 7.2	0	0.0
Foreign tax credit	26	3.3	**	**	0	0.0	11	0.7
General business credit	** 23	** 2.9	**	**	**	**	** 16	** 1.1
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	**	**
All other tax credits	10	1.2	5	0.8	3	1.1	10	0.7
Capital gains taxed at 0 percent	** 245	** 30.8	** 145	** 20.9	** 11	** 3.6	39	2.7
No second largest item	**	**	**	**	**	**	69	4.6
Returns with expanded income of \$200,000 or more								
Total	1,356	5.2	1,707	6.6	307	1.2	516	2.0
Interest paid deduction	66	4.9	50	2.9	75	24.5	**	**
Tax-exempt interest [2]	430	31.7	594	34.8	24	7.8	** 79	** 15.4
Taxes paid deduction	214	15.8	266	15.6	150	48.9	360	69.7
Charitable contributions deduction	0	0.0	112	6.6	** 25	** 8.2	40	7.7
Medical and dental expense deduction	46	3.4	0	0.0	**	**	12	2.3
Net casualty or theft loss deduction	**	**	**	**	0	0.0	0	0.0
Total miscellaneous deductions	** 254	** 18.8	** 100	** 5.8	10	3.2	0	0.0
Foreign tax credit	26	1.9	**	**	0	0.0	**	**
General business credit	** 24	** 1.8	** 4	** 0.3	**	**	** 4	** 0.8
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	**	**
All other tax credits	9	0.6	4	0.3	** 4	** 1.4	0	0.0
Foreign-earned income exclusion [2]	0	0.0	4	0.3	**	**	**	**
AMT tax preference [2]	**	**	0	0.0	0	0.0	**	**
Nontaxable Social Security benefits [2]	** 53	** 3.9	74	4.3	** 9	** 2.8	** 7	** 1.3
Capital gains taxed at 0 percent	233	17.2	** 497	** 29.1	**	**	14	2.7
No second largest item	0	0.0	**	**	** 10	** 3.2	0	0.0

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax 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 2013—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		Refundable tax credits used to offset income tax before credits		All other tax credits	
	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	7,825	62.5	145	1.2	4	[3]	98	0.8
Interest paid deduction	1,472	18.8	33	22.6	0	0.0	** 23	** 23.3
Investment interest expense deduction [1]	57	0.7	8	5.3	0	0.0	**	**
Taxes paid deduction	828	10.6	45	30.8	0	0.0	40	41.1
Charitable contributions deduction	431	5.5	13	9.0	0	0.0	** 17	** 17.7
Medical and dental expense deduction	16	0.2	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	** 188	** 2.4	4	3.0	0	0.0	** 4	** 4.5
Foreign tax credit	0	0.0	0	0.0	0	0.0	**	**
General business credit	**	**	**	**	**	**	**	**
Refundable tax credits used to offset income tax before credits	**	**	0	0.0	0	0.0	0	0.0
All other tax credits	50	0.6	4	3.0	0	0.0	0	0.0
Capital gains taxed at 0 percent	170	2.2	** 38	** 26.3	**	**	**	**
No second largest item	4,613	58.9	**	**	** 4	** 100.0	** 13	** 13.4
Returns with expanded income of \$200,000 or more								
Total	10,079	38.9	144	0.6	4	[3]	100	0.4
Interest paid deduction	971	9.6	34	23.5	0	0.0	21	20.6
Tax-exempt interest [2]	73	0.7	9	6.1	0	0.0	7	6.5
Taxes paid deduction	540	5.4	42	29.5	0	0.0	39	39.1
Charitable contributions deduction	285	2.8	** 15	** 10.6	0	0.0	** 16	** 16.3
Medical and dental expense deduction	11	0.1	**	**	0	0.0	**	**
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	51	0.5	0	0.0	0	0.0	0	0.0
Foreign tax credit	0	0.0	0	0.0	0	0.0	**	**
General business credit	**	**	**	**	**	**	** 3	** 3.3
Refundable tax credits used to offset income tax before credits	**	**	0	0.0	0	0.0	0	0.0
All other tax credits	** 39	** 0.4	** 5	** 3.8	0	0.0	0	0.0
Foreign-earned income exclusion [2]	4,955	49.2	0	0.0	0	0.0	**	**
AMT tax preference [2]	**	**	0	0.0	0	0.0	**	**
Nontaxable Social Security benefits [2]	** 75	** 0.7	**	**	0	0.0	** 3	** 3.3
Capital gains taxed at 0 percent	136	1.3	** 38	** 26.5	**	**	** 11	** 10.9
No second largest item	2,943	29.2	**	**	** 4	** 100.0	**	**

Footnotes at end of table.

Table 7. Individual Income Tax Returns With and Without U.S. Income Tax 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 2013—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									
	Capital gains taxed at 0 percent		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	Number of returns	Percentage of total
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)
RETURNS WITHOUT U.S. INCOME TAX										
Returns with adjusted gross income of \$200,000 or more										
Total	263	2.1	0	0.0	0	0.0	0	0.0	0	0.0
Interest paid deduction	34	12.9	0	0.0	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	22	8.3	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction	44	16.6	0	0.0	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	48	18.3	0	0.0	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	21	7.9	0	0.0	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	3	1.2	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	16	6.2	0	0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	16	6.2	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	** 16	** 6.2	0	0.0	0	0.0	0	0.0	0	0.0
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	36	13.7	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	0	0.0
No second largest item	7	2.5	0	0.0	0	0.0	0	0.0	0	0.0
Returns with expanded income of \$200,000 or more										
Total	330	1.3	2,885	11.1	7,505	29.0	** 14	** 0.1	**	**
Interest paid deduction	27	8.3	122	4.2	221	2.9	**	**	**	**
Tax-exempt interest [2]	52	15.8	** 181	** 6.3	0	0.0	** 9	** 64.3	**	**
Taxes paid deduction	44	13.2	**	**	2,412	32.1	**	**	**	**
Charitable contributions deduction	88	26.7	**	**	1,033	13.8	**	**	**	**
Medical and dental expense deduction	20	5.9	**	**	1,554	20.7	**	**	**	**
Net casualty or theft loss deduction	4	1.3	0	0.0	14	0.2	0	0.0	**	**
Total miscellaneous deductions	**	**	**	**	550	7.3	0	0.0	**	**
Foreign tax credit	** 34	** 10.2	** 2,157	** 74.8	17	0.2	**	**	**	**
General business credit	** 17	** 5.3	**	**	** 26	** 0.4	**	**	**	**
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	27	8.3	** 68	** 2.3	** 53	** 0.7	** 5	** 35.7	**	**
Foreign-earned income exclusion [2]	4	1.3	0	0.0	**	**	0	0.0	**	**
AMT tax preference [2]	0	0.0	0	0.0	10	0.1	0	0.0	**	**
Nontaxable Social Security benefits [2]	7	2.0	**	**	393	5.2	**	**	**	**
Capital gains taxed at 0 percent	0	0.0	**	**	856	11.4	**	**	**	**
No second largest item	5	1.7	358	12.4	366	4.9	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] Less than 0.05 percent.

NOTES: Detail may not add to totals because of rounding. This table is based on U.S. Individual Income Tax Returns. 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, May 2016.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax 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 2013

[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		Investment interest expense deduction [1]		Taxes paid deduction	
	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	5,242,592	100.0	793,698	15.1	34,168	0.7	3,600,625	68.7
Interest paid deduction	2,199,940	42.0	0	0.0	5,195	15.2	2,086,706	58.0
Investment interest expense deduction [1]	58,375	1.1	3,358	0.4	0	0.0	43,580	1.2
Taxes paid deduction	1,263,422	24.1	721,565	90.9	18,968	55.5	0	0.0
Charitable contributions deduction	1,171,654	22.3	46,795	5.9	4,584	13.4	1,085,166	30.1
Medical and dental expense deduction	28,501	0.5	1,434	0.2	22	0.1	20,725	0.6
Net casualty or theft loss deduction	1,008	[3]	299	[3]	0	0.0	700	[3]
Total miscellaneous deductions	250,547	4.8	14,572	1.8	2,171	6.4	202,149	5.6
General business credit	30,412	0.6	911	0.1	** 664	** 1.9	23,945	0.7
Refundable tax credits used to offset income tax before credits	124	[3]	8	[3]	**	**	70	[3]
All other tax credits	48,002	0.9	2,143	0.3	265	0.8	39,353	1.1
Capital gains taxed at 0 percent	53,669	1.0	1,603	0.2	** 2,299	** 6.7	26,397	0.7
No second largest item	136,938	2.6	1,010	0.1	**	**	71,835	2.0
Returns with expanded income of \$200,000 or more								
Total	5,413,230	100.0	776,714	14.3	0	0.0	3,465,408	64.0
Interest paid deduction	2,181,641	40.3	0	0.0	0	0.0	2,056,912	59.4
Tax-exempt interest [2]	245,768	4.5	997	0.1	0	0.0	169,240	4.9
Taxes paid deduction	1,291,723	23.9	717,284	92.3	0	0.0	0	0.0
Charitable contributions deduction	1,028,582	19.0	47,330	6.1	0	0.0	929,052	26.8
Medical and dental expense deduction	30,035	0.6	1,428	0.2	0	0.0	17,903	0.5
Net casualty or theft loss deduction	1,639	[3]	298	[3]	0	0.0	725	[3]
Total miscellaneous deductions	100,152	1.9	2,423	0.3	0	0.0	62,884	1.8
General business credit	30,414	0.6	911	0.1	0	0.0	21,813	0.6
Refundable tax credits used to offset income tax before credits	150	[3]	0	0.0	0	0.0	55	[3]
All other tax credits	54,868	1.0	2,725	0.4	0	0.0	35,886	1.0
Foreign-earned income exclusion [2]	2,761	0.1	10	[3]	0	0.0	1,741	0.1
AMT tax preference [2]	2,101	[3]	0	0.0	0	0.0	883	[3]
Nontaxable Social Security benefits [2]	152,568	2.8	1,411	0.2	0	0.0	85,191	2.5
Capital gains taxed at 0 percent	66,106	1.2	1,596	0.2	0	0.0	22,609	0.7
No second largest item	224,721	4.2	301	[3]	0	0.0	60,513	1.7

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax 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 2013—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		Net casualty or theft loss deduction		Total miscellaneous deductions	
	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	418,042	8.0	35,594	0.7	2,659	0.1	163,227	3.1
Interest paid deduction	61,476	14.7	2,256	6.3	1,059	39.8	20,647	12.6
Investment interest expense deduction [1]	5,397	1.3	511	1.4	3	0.1	3,268	2.0
Taxes paid deduction	313,580	75.0	19,332	54.3	1,433	53.9	112,235	68.8
Charitable contributions deduction	0	0.0	4,404	12.4	22	0.8	15,945	9.8
Medical and dental expense deduction	2,585	0.6	0	0.0	3	0.1	2,394	1.5
Net casualty or theft loss deduction	**	**	**	**	0	0.0	**	**
Total miscellaneous deductions	17,497	4.2	4,316	12.1	123	4.6	0	0.0
General business credit	** 2,640	** 0.6	** 21	** 0.1	9	0.4	** 549	** 0.3
Refundable tax credits used to offset income tax before credits	3	[3]	0	0.0	0	0.0	**	**
All other tax credits	2,216	0.5	142	0.4	0	0.0	805	0.5
Capital gains taxed at 0 percent	11,648	2.8	4,312	12.1	** 6	** 0.2	6,551	4.0
No second largest item	1,000	0.2	299	0.8	**	**	833	0.5
Returns with expanded income of \$200,000 or more								
Total	403,975	7.5	35,877	0.7	2,658	[3]	44,343	0.8
Interest paid deduction	62,179	15.4	2,538	7.1	1,062	39.9	1,978	4.5
Tax-exempt interest [2]	19,762	4.9	3,410	9.5	**	**	8,143	18.4
Taxes paid deduction	291,754	72.2	16,368	45.6	** 1,541	** 58.0	24,798	55.9
Charitable contributions deduction	0	0.0	3,891	10.8	20	0.8	4,926	11.1
Medical and dental expense deduction	2,537	0.6	0	0.0	3	0.1	352	0.8
Net casualty or theft loss deduction	5	[3]	**	**	0	0.0	**	**
Total miscellaneous deductions	7,549	1.9	2,661	7.4	10	0.4	0	0.0
General business credit	2,604	0.6	** 22	** 0.1	9	0.4	** 24	** 0.1
Refundable tax credits used to offset income tax before credits	3	[3]	0	0.0	0	0.0	**	**
All other tax credits	2,027	0.5	4	[3]	0	0.0	210	0.5
Foreign-earned income exclusion [2]	178	[3]	**	**	**	**	53	0.1
AMT tax preference [2]	638	0.2	0	0.0	0	0.0	101	0.2
Nontaxable Social Security benefits [2]	4,870	1.2	** 3,257	** 9.1	** 8	** 0.3	85	0.2
Capital gains taxed at 0 percent	9,301	2.3	3,727	10.4	5	0.2	3,604	8.1
No second largest item	568	0.1	0	0.0	0	0.0	68	0.2

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax 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 2013—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		Refundable tax credits used to offset income tax before credits		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 WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	38,971	0.7	400	[3]	64,186	1.2	91,021	1.7
Interest paid deduction	5,852	15.0	0	0.0	7,806	12.2	8,943	9.8
Investment interest expense deduction [1]	1,007	2.6	31	7.6	358	0.6	862	0.9
Taxes paid deduction	20,527	52.7	142	35.4	20,697	32.2	34,943	38.4
Charitable contributions deduction	2,902	7.4	0	0.0	2,513	3.9	9,323	10.2
Medical and dental expense deduction	3	[3]	0	0.0	3	[3]	1,333	1.5
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	269	0.7	0	0.0	118	0.2	9,332	10.3
General business credit	0	0.0	0	0.0	958	1.5	727	0.8
Refundable tax credits used to offset income tax before credits	31	0.1	0	0.0	0	0.0	9	[3]
All other tax credits	1,181	3.0	0	0.0	0	0.0	1,896	2.1
Capital gains taxed at 0 percent	333	0.9	0	0.0	562	0.9	0	0.0
No second largest item	6,866	17.6	228	57.0	31,172	48.6	23,652	26.0
Returns with expanded income of \$200,000 or more								
Total	36,387	0.7	356	[3]	57,931	1.1	86,706	1.6
Interest paid deduction	6,056	16.6	0	0.0	7,632	13.2	8,646	10.0
Tax-exempt interest [2]	2,404	6.6	**	**	3,508	6.1	11,985	13.8
Taxes paid deduction	19,056	52.4	** 139	** 39.2	18,800	32.5	26,948	31.1
Charitable contributions deduction	2,429	6.7	0	0.0	2,369	4.1	7,885	9.1
Medical and dental expense deduction	4	[3]	0	0.0	3	[3]	2,083	2.4
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	22	0.1	0	0.0	55	0.1	5,198	6.0
General business credit	0	0.0	0	0.0	794	1.4	698	0.8
Refundable tax credits used to offset income tax before credits	31	0.1	0	0.0	0	0.0	9	[3]
All other tax credits	1,249	3.4	0	0.0	0	0.0	1,009	1.2
Foreign-earned income exclusion [2]	0	0.0	0	0.0	68	0.1	403	0.5
AMT tax preference [2]	4	[3]	8	2.3	87	0.1	14	[3]
Nontaxable Social Security benefits [2]	876	2.4	0	0.0	1,593	2.7	15,906	18.3
Capital gains taxed at 0 percent	294	0.8	0	0.0	526	0.9	0	0.0
No second largest item	3,961	10.9	208	58.5	22,498	38.8	5,922	6.8

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax 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 2013—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 WORLDWIDE 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
General business credit	0	0.0	0	0.0	0	0.0	0	0.0
Refundable tax credits used to offset income tax before credits	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	78,217	1.4	292,578	5.4	10,337	0.2	121,744	2.2
Interest paid deduction	14,953	19.1	7,196	2.5	710	6.9	11,779	9.7
Tax-exempt interest [2]	5,451	7.0	0	0.0	374	3.6	20,471	16.8
Taxes paid deduction	15,417	19.7	129,329	44.2	5,646	54.6	24,667	20.3
Charitable contributions deduction	2,116	2.7	27,691	9.5	797	7.7	76	0.1
Medical and dental expense deduction	490	0.6	5,232	1.8	0	0.0	0	0.0
Net casualty or theft loss deduction	304	0.4	304	0.1	0	0.0	0	0.0
Total miscellaneous deductions	263	0.3	19,066	6.5	**	**	**	**
General business credit	** 185	** 0.2	2,055	0.7	** 41	** 0.4	** 1,287	** 1.1
Refundable tax credits used to offset income tax before credits	**	**	47	[3]	**	**	0	0.0
All other tax credits	1,729	2.2	4,729	1.6	1,405	13.6	3,894	3.2
Foreign-earned income exclusion [2]	0	0.0	260	0.1	41	0.4	0	0.0
AMT tax preference [2]	14	[3]	304	0.1	0	0.0	49	[3]
Nontaxable Social Security benefits [2]	740	0.9	38,318	13.1	320	3.1	0	0.0
Capital gains taxed at 0 percent	2,477	3.2	21,764	7.4	21	0.2	181	0.1
No second largest item	34,078	43.6	36,283	12.4	980	9.5	59,340	48.7

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax 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 2013—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					
			Interest paid deduction		Investment interest expense deduction [1]		Taxes paid deduction	
	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	4,262	100.0	130	3.0	360	8.4	352	8.2
Interest paid deduction	671	15.7	0	0.0	55	15.2	50	14.2
Investment interest expense deduction [1]	187	4.4	11	8.4	0	0.0	39	11.1
Taxes paid deduction	1,606	37.7	37	28.6	121	33.7	0	0.0
Charitable contributions deduction	548	12.9	34	26.0	69	19.2	116	32.9
Medical and dental expense deduction	154	3.6	10	7.6	9	2.4	30	8.7
Net casualty or theft loss deduction	15	0.4	**	**	**	**	**	**
Total miscellaneous deductions	411	9.6	** 17	** 13.5	** 66	** 18.3	** 73	** 20.7
General business credit	66	1.6	**	**	4	1.2	10	2.8
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	49	1.2	**	**	**	**	9	2.5
Capital gains taxed at 0 percent	459	10.8	** 21	** 16.0	** 31	** 8.5	** 25	** 7.1
No second largest item	96	2.2	**	**	5	1.5	**	**
Returns with expanded income of \$200,000 or more								
Total	12,794	100.0	113	0.9	0	0.0	830	6.5
Interest paid deduction	912	7.1	0	0.0	0	0.0	345	41.5
Tax-exempt interest [2]	1,393	10.9	7	5.8	0	0.0	241	29.1
Taxes paid deduction	3,574	27.9	37	32.7	0	0.0	0	0.0
Charitable contributions deduction	1,389	10.9	26	23.0	0	0.0	108	13.0
Medical and dental expense deduction	1,655	12.9	7	5.8	0	0.0	** 31	** 3.7
Net casualty or theft loss deduction	27	0.2	0	0.0	0	0.0	**	**
Total miscellaneous deductions	969	7.6	11	9.6	0	0.0	53	6.4
General business credit	68	0.5	5	4.8	0	0.0	9	1.1
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	78	0.6	**	**	0	0.0	10	1.2
Foreign-earned income exclusion [2]	16	0.1	**	**	0	0.0	3	0.4
AMT tax preference [2]	13	0.1	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [2]	554	4.3	** 11	** 9.6	0	0.0	4	0.5
Capital gains taxed at 0 percent	1,446	11.3	** 10	** 8.7	0	0.0	27	3.3
No second largest item	699	5.5	**	**	0	0.0	0	0.0

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax 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 2013—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		Net casualty or theft loss deduction		Total miscellaneous deductions	
	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	684	16.1	672	15.8	298	7.0	1,458	34.2
Interest paid deduction	93	13.5	** 63	** 9.4	** 82	** 27.5	273	18.7
Investment interest expense deduction [1]	60	8.7	**	**	**	**	47	3.2
Taxes paid deduction	157	22.9	247	36.8	156	52.4	811	55.7
Charitable contributions deduction	0	0.0	106	15.7	20	6.6	155	10.7
Medical and dental expense deduction	43	6.2	0	0.0	4	1.5	44	3.0
Net casualty or theft loss deduction	**	**	**	**	0	0.0	4	0.3
Total miscellaneous deductions	** 114	** 16.7	** 119	** 17.7	** 22	** 7.3	0	0.0
General business credit	16	2.4	**	**	**	**	15	1.0
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	8	1.1	**	**	3	1.1	10	0.7
Capital gains taxed at 0 percent	** 194	** 28.3	** 137	** 20.4	** 11	** 3.7	**	**
No second largest item	**	**	**	**	**	**	** 99	** 6.8
Returns with expanded income of \$200,000 or more								
Total	1,231	9.6	1,676	13.1	304	2.4	510	4.0
Interest paid deduction	62	5.0	49	2.9	75	24.7	**	**
Tax-exempt interest [2]	408	33.2	584	34.8	24	7.9	** 78	** 15.3
Taxes paid deduction	201	16.4	264	15.8	149	49.1	360	70.6
Charitable contributions deduction	0	0.0	112	6.7	20	6.5	40	7.8
Medical and dental expense deduction	** 46	** 3.7	0	0.0	4	1.4	12	2.4
Net casualty or theft loss deduction	**	**	4	0.3	0	0.0	0	0.0
Total miscellaneous deductions	251	20.4	** 99	** 5.9	** 11	** 3.6	0	0.0
General business credit	17	1.4	**	**	**	**	**	**
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	8	0.6	**	**	3	1.1	0	0.0
Foreign-earned income exclusion [2]	0	0.0	**	**	3	1.1	0	0.0
AMT tax preference [2]	**	**	0	0.0	0	0.0	**	**
Nontaxable Social Security benefits [2]	** 53	** 4.3	** 77	** 4.6	4	1.4	** 9	** 1.7
Capital gains taxed at 0 percent	184	14.9	** 486	** 29.0	** 10	** 3.2	11	2.1
No second largest item	0	0.0	**	**	**	**	0	0.0

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax 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 2013—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		Refundable tax credits used to offset income tax before credits		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 WORLDWIDE INCOME TAX								
Returns with adjusted gross income of \$200,000 or more								
Total	96	2.3	4	0.1	72	1.7	137	3.2
Interest paid deduction	26	27.3	0	0.0	** 16	** 22.7	26	19.0
Investment interest expense deduction [1]	4	4.5	0	0.0	**	**	14	10.3
Taxes paid deduction	22	22.7	0	0.0	34	47.0	21	15.1
Charitable contributions deduction	9	9.1	0	0.0	13	18.1	27	19.8
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0	14	10.3
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	3	2.4
Total miscellaneous deductions	4	4.5	0	0.0	0	0.0	7	4.8
General business credit	0	0.0	0	0.0	**	**	9	6.3
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	4	4.5	0	0.0	0	0.0	10	7.1
Capital gains taxed at 0 percent	** 26	** 27.3	**	**	** 5	** 7.6	0	0.0
No second largest item	**	**	** 4	** 100.0	3	4.6	7	4.8
Returns with expanded income of \$200,000 or more								
Total	90	0.7	4	[3]	71	0.6	201	1.6
Interest paid deduction	** 29	** 32.5	0	0.0	** 20	** 27.7	22	10.9
Tax-exempt interest [2]	**	**	0	0.0	**	**	32	15.8
Taxes paid deduction	21	22.9	0	0.0	29	41.6	25	12.5
Charitable contributions deduction	9	9.6	0	0.0	12	16.9	70	34.8
Medical and dental expense deduction	0	0.0	0	0.0	0	0.0	14	7.1
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	4	2.2
Total miscellaneous deductions	0	0.0	0	0.0	0	0.0	**	**
General business credit	0	0.0	0	0.0	**	**	8	3.8
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	0	0.0	0	0.0
All other tax credits	**	**	0	0.0	0	0.0	** 14	** 7.1
Foreign-earned income exclusion [2]	0	0.0	0	0.0	**	**	0	0.0
AMT tax preference [2]	0	0.0	0	0.0	**	**	0	0.0
Nontaxable Social Security benefits [2]	** 5	** 6.0	0	0.0	** 4	** 6.2	7	3.3
Capital gains taxed at 0 percent	** 26	** 28.9	**	**	** 5	** 7.7	0	0.0
No second largest item	**	**	** 4	** 100.0	**	**	5	2.7

Footnotes at end of table.

Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax 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 2013—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 WORLDWIDE 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
General business credit	0	0.0	0	0.0	0	0.0	0	0.0
Refundable tax credits used to offset income tax before credits	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	585	4.6	7,169	56.0	** 10	** 0.1	**	**
Interest paid deduction	92	15.6	217	3.0	**	**	**	**
Tax-exempt interest [2]	** 24	** 4.1	0	0.0	** 7	** 70.0	**	**
Taxes paid deduction	118	20.1	2,369	33.0	**	**	**	**
Charitable contributions deduction	**	**	984	13.7	**	**	**	**
Medical and dental expense deduction	**	**	1,538	21.5	**	**	**	**
Net casualty or theft loss deduction	0	0.0	13	0.2	**	**	**	**
Total miscellaneous deductions	**	**	540	7.5	**	**	**	**
General business credit	0	0.0	20	0.3	**	**	**	**
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	**	**	**	**
All other tax credits	** 16	** 2.8	29	0.4	**	**	**	**
Foreign-earned income exclusion [2]	0	0.0	3	[3]	**	**	**	**
AMT tax preference [2]	0	0.0	**	**	**	**	**	**
Nontaxable Social Security benefits [2]	** 12	** 2.0	** 402	** 5.6	** 3	** 30.0	**	**
Capital gains taxed at 0 percent	**	**	687	9.6	**	**	**	**
No second largest item	** 324	** 55.3	366	5.1	**	**	**	**

** 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] Less than 0.05 percent.

NOTES: Detail may not add to totals because of rounding. This table is based on U.S. Individual Income Tax Returns. 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, May 2016.

Table 9. Individual Income Tax Returns Without U.S. Income Tax 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 2013
 [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											
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Adjusted gross income concept														
Total itemized deductions	12,517	4,755	1,863	912	253	167	289	168	458	1,421	2,253			
Interest paid deductions:														
Total	12,517	6,834	3,753	958	324	139	88	56	65	154	146			
Investment interest expense deduction per income concept	12,517	10,472	1,330	176	91	70	50	43	43	135	105			
Taxes paid deduction	12,517	5,380	4,867	1,099	571	218	104	62	43	64	109			
Charitable contributions deduction	12,517	7,011	3,666	495	214	258	197	652	0	3	21			
Medical and dental expense deduction	12,517	11,002	580	127	69	51	75	107	133	268	104			
Net casualty or theft loss deduction	12,517	12,191	4	7	9	5	8	13	13	98	169			
Net limited miscellaneous deduction per income concept	12,517	10,095	1,275	553	235	121	76	38	26	51	47			
Non-limited miscellaneous deduction	12,517	10,583	598	40	11	13	24	20	22	554	652			
Deduction equivalent of:														
Total credits	12,517	3,829	216	126	109	120	194	262	367	5,378	1,916			
Foreign tax credit	12,517	4,265	319	35	32	110	200	308	5,314	1,913				
General business credit	12,517	12,161	78	40	39	40	64	54	26	** 13	**			
Refundable tax credits used to offset income tax before credits	12,517	12,508	5	0	0	0	0	0	0	** 4	**			
Tax preferences excluded from adjusted gross income	12,517	10,102	1,627	268	166	92	59	39	33	87	145			
Nontaxable Social Security benefits	12,517	10,328	2,183	** 5	**	0	0	0	0	0	0			
Capital gains taxed at 0 percent	12,517	10,526	535	545	533	377	0	0	0	0	0			
Expanded income concept														
Total itemized deductions	25,926	9,430	3,393	3,334	1,670	1,399	840	1,684	901	1,796	1,479			
Interest paid deduction:														
Total	25,926	18,489	5,268	1,828	234	44	16	4	8	19	16			
Investment interest expense deduction per income concept	25,926	22,369	3,207	202	55	26	15	12	9	9	23			
Taxes paid deduction	25,926	10,159	9,868	3,120	1,221	631	301	76	39	384	127			
Charitable contributions deduction	25,926	12,317	9,170	2,158	798	486	794	157	8	17	22			
Medical and dental expense deduction	25,926	18,122	4,105	995	651	298	253	268	291	781	161			
Net casualty or theft loss deduction	25,926	25,567	16	11	12	10	12	14	21	96	167			
Net limited miscellaneous deduction per income concept	25,926	17,033	5,941	1,551	337	567	42	23	20	66	346			
Non-limited miscellaneous deduction	25,926	24,541	1,309	45	11	** 7	**	3	** 3	**	5			
Deduction equivalent of:														
Total credits	25,926	12,160	786	398	365	465	655	1,321	2,050	7,704	23			
Foreign tax credit	25,926	12,800	804	226	248	371	571	1,246	1,997	7,643	20			
General business credit	25,926	25,485	136	57	47	45	62	58	24	10	3			
Refundable tax credits used to offset income tax before credits	25,926	25,916	5	0	0	0	0	0	0	** 4	**			
Tax preferences excluded from adjusted gross income	25,926	13,661	1,710	904	850	1,147	1,266	1,080	870	3,780	657			
Nontaxable Social Security benefits	25,926	18,165	7,740	17	3	0	0	0	0	0	0			
Capital gains taxed at 0 percent	25,926	19,132	3,205	1,594	1,619	376	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. This table is based on U.S. Individual Income Tax Returns. 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, May 2016.

Table 10. Individual Income Tax Returns Without Worldwide Income Tax 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 2013
 [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										
			(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Adjusted gross income concept													
Total itemized deductions	4,266	24	20	46	43	48	46	66	380	1,347	2,248		
Interest paid deduction:													
Total	4,266	1,489	1,399	526	259	118	76	51	55	148	146		
Investment interest expense deduction per income concept	4,266	2,834	797	146	70	63	48	37	37	129	105		
Taxes paid deduction	4,266	122	2,387	846	353	191	97	60	41	62	108		
Charitable contributions deduction	4,266	940	1,859	292	168	211	172	601	0	3	21		
Medical and dental expense deduction	4,266	3,049	330	110	63	44	70	102	127	267	104		
Net casualty or theft loss deduction	4,266	3,944	4	7	8	5	8	12	13	97	169		
Net limited miscellaneous deduction per income concept	4,266	2,457	814	440	214	110	75	36	25	49	47		
Non-limited miscellaneous deduction	4,266	2,557	412	22	5	9	20	19	20	550	652		
Deduction equivalent of:													
Total credits	4,266	3,829	102	55	40	51	57	46	36	** 51	**		
Foreign tax credit	4,266	4,266	0	0	0	0	0	0	0	0	0		
General business credit	4,266	4,050	36	24	21	24	48	39	17	** 7	**		
Refundable tax credits used to offset income tax before credits	4,266	4,262	0	0	0	0	0	0	** 4	**	0		
Tax preferences excluded from adjusted gross income	4,266	2,440	1,047	231	150	75	47	36	30	79	130		
Nontaxable Social Security benefits	4,266	2,401	** 1,866	**	**	0	0	0	0	0	0		
Capital gains taxed at 0 percent	4,266	2,792	382	407	459	226	0	0	0	0	0		
Expanded income concept													
Total itemized deductions	12,794	1,129	791	2,060	1,317	1,084	717	1,603	852	1,763	1,478		
Interest paid deduction:													
Total	12,794	9,019	2,230	1,272	177	37	14	4	7	19	16		
Investment interest expense deduction per income concept	12,794	9,937	2,546	180	50	21	13	10	9	8	22		
Taxes paid deduction	12,794	1,179	6,318	2,778	997	611	294	71	38	383	127		
Charitable contributions deduction	12,794	2,179	6,636	1,916	710	429	740	138	6	17	22		
Medical and dental expense deduction	12,794	5,574	3,610	957	634	286	243	264	286	779	161		
Net casualty or theft loss deduction	12,794	12,443	13	11	11	9	12	13	21	95	167		
Net limited miscellaneous deduction per income concept	12,794	4,710	5,242	1,462	325	562	41	22	20	64	346		
Non-limited miscellaneous deduction	12,794	11,613	1,124	29	10	** 7	**	** 4	0	**	5		
Deduction equivalent of:													
Total credits	12,794	12,099	328	84	52	45	56	53	30	** 45	**		
Foreign tax credit	12,794	12,794	0	0	0	0	0	0	0	0	0		
General business credit	12,794	12,553	58	24	26	26	46	40	14	** 6	**		
Refundable tax credits used to offset income tax before credits	12,794	12,790	0	0	0	0	0	0	** 4	**	0		
Tax preferences excluded from adjusted gross income	12,794	1,658	1,049	827	789	1,087	1,191	1,017	805	3,715	657		
Nontaxable Social Security benefits	12,794	5,674	7,115	4	0	0	0	0	0	0	0		
Capital gains taxed at 0 percent	12,794	7,428	2,430	1,286	1,418	232	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. This table is based on U.S. individual income tax returns. 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, May 2016.

Table 11. Individual Income Tax Returns With and Without U.S. Income Tax: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2013

[All figures are estimates based on samples]

Tax status, effective tax rate	Total			Size of adjusted gross income					
	Number of returns	Percentage of total	Percent of income subject to preferential tax rates	Under \$50,000 [1]			\$50,000 under \$100,000		
				Number of returns	Percentage of total	Percent of income subject to preferential tax rates	Number of returns	Percentage of total	Percent of income subject to preferential tax rates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns	147,351,299	100.0	6.0	93,564,192	100.0	0.9	31,803,416	100.0	1.7
Returns without U.S. income tax	52,818,806	35.8	1.7	51,221,799	54.7	0.9	1,477,292	4.6	4.6
Effective tax rate:									
0 percent	18,998,227	12.9	5.0	18,627,691	19.9	2.9	285,556	0.9	15.3
Under 0 over -5 percent	7,632,780	5.2	0.9	6,541,209	7.0	0.3	1,059,835	3.3	1.9
-5 over -10 percent	7,105,732	4.8	0.1	6,981,927	7.5	0.1	120,813	0.4	0.4
-10 over -15 percent	3,477,777	2.4	0.1	3,466,689	3.7	0.0	11,088	[2]	6.8
-15 over -20 percent	2,152,060	1.5	0.0	2,152,059	2.3	0.0	0	0.0	0.0
-20 percent and under	13,452,228	9.1	0.0	13,452,223	14.4	0.0	0	0.0	0.0
Returns with U.S. income tax	94,532,494	64.2	6.3	42,342,394	45.3	0.9	30,326,124	95.4	1.6
Effective tax rate:									
Under 5 percent	25,454,353	17.3	3.6	19,640,802	21.0	1.6	5,162,494	16.2	3.4
5 under 10 percent	36,303,059	24.6	2.3	18,782,392	20.1	0.5	13,810,088	43.4	1.3
10 under 15 percent	21,483,195	14.6	3.8	3,843,784	4.1	0.4	8,879,387	27.9	1.2
15 under 20 percent	8,135,705	5.5	7.9	40,276	[2]	32.5	2,465,823	7.8	0.7
20 under 25 percent	1,983,318	1.3	21.8	16,644	[2]	10.9	3,087	[2]	1.7
25 under 30 percent	854,639	0.6	10.0	3,951	[2]	37.6	456	[2]	12.0
30 under 35 percent	253,435	0.2	5.6	6,054	[2]	0.1	3,420	[2]	8.1
35 under 40 percent	52,970	[2]	2.7	1,226	[2]	0.5	1,031	[2]	1.0
40 under 45 percent	2,977	[2]	2.8	300	[2]	37.6	50	[2]	4.2
45 under 50 percent	436	[2]	18.1	13	[2]	0.0	30	[2]	0.0
50 under 60 percent	838	[2]	6.6	14	[2]	0.0	39	[2]	0.0
60 under 70 percent	182	[2]	7.4	42	[2]	1.7	** 49	** [2]	** 2.1
70 under 80 percent	194	[2]	9.0	137	[2]	0.0	**	**	**
80 percent or more	7,191	[2]	[3]	6,759	[2]	0.0	169	[2]	23.7

Footnotes at end of table.

Table 11. Individual Income Tax Returns With and Without U.S. Income Tax: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2013—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	Percent of income subject to preferential tax rates
	Number of returns	Percentage of total	Percent of income subject to preferential tax rates	Number of returns	Percentage of total	Percent of income subject to preferential tax rates			
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
All returns	16,425,446	100.0	3.0	5,558,244	100.0	14.8	147,351,299	100.0	5.8
Returns without U.S. income tax	107,198	0.7	13.8	12,517	0.2	9.2	52,818,806	35.8	1.4
Effective tax rate:									
0 percent	72,539	0.4	15.1	12,440	0.2	9.0	18,998,227	12.9	5.0
Under 0 over -5 percent	31,667	0.2	11.5	** 71	** [2]	** 17.2	8,005,155	5.4	0.9
-5 over -10 percent	2,992	[2]	0.0	**	**	**	6,886,914	4.7	0.1
-10 over -15 percent	0	0.0	0.0	0	0.0	0.0	3,569,797	2.4	0.1
-15 over -20 percent	0	0.0	0.0	**	**	**	2,236,909	1.5	0.0
-20 percent and under	0	0.0	0.0	5	[2]	30.6	13,121,803	8.9	0.0
Returns with U.S. income tax	16,318,248	99.3	2.9	5,545,728	99.8	14.8	94,532,494	64.2	6.2
Effective tax rate:									
Under 5 percent	588,109	3.6	11.7	62,948	1.1	14.1	26,279,706	17.8	3.4
5 under 10 percent	3,613,689	22.0	4.1	96,890	1.7	29.8	35,463,715	24.1	2.4
10 under 15 percent	8,261,461	50.3	2.5	498,563	9.0	27.2	21,441,730	14.6	4.0
15 under 20 percent	3,474,981	21.2	1.9	2,154,624	38.8	15.0	8,214,800	5.6	7.9
20 under 25 percent	369,162	2.2	1.3	1,594,424	28.7	23.4	1,972,645	1.3	21.2
25 under 30 percent	7,776	[2]	1.4	842,456	15.2	10.0	849,726	0.6	9.5
30 under 35 percent	821	[2]	17.3	243,140	4.4	5.6	249,130	0.2	5.3
35 under 40 percent	1,596	[2]	1.7	49,118	0.9	2.7	49,328	[2]	2.6
40 under 45 percent	357	[2]	2.4	2,270	[2]	2.7	2,096	[2]	2.4
45 under 50 percent	52	[2]	6.3	342	[2]	18.6	361	[2]	23.4
50 under 60 percent	142	[2]	0.2	644	[2]	7.2	545	[2]	2.4
60 under 70 percent	62	[2]	2.9	30	[2]	8.3	93	[2]	3.0
70 under 80 percent	9	[2]	2.2	47	[2]	9.6	66	[2]	19.9
80 percent or more	32	[2]	12.1	232	[2]	20.6	8,552	[2]	[3]

Footnotes at end of table.

Table 11. Individual Income Tax Returns With and Without U.S. Income Tax: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2013—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	Percent of income subject to preferential tax rates	Number of returns	Percentage of total	Percent of income subject to preferential tax rates
	(19)	(20)	(21)	(22)	(23)	(24)
All returns	91,119,995	100.0	0.6	34,188,397	100.0	1.6
Returns without U.S. income tax	50,597,216	55.5	0.6	2,047,738	6.0	3.9
Effective tax rate:						
0 percent	17,979,781	19.7	3.2	880,866	2.6	6.7
Under 0 over -5 percent	6,950,684	7.6	0.3	1,020,205	3.0	1.9
-5 over -10 percent	6,752,308	7.4	0.1	132,607	0.4	0.4
-10 over -15 percent	3,555,736	3.9	0.0	14,059	[2]	5.2
-15 over -20 percent	2,236,909	2.5	0.0	0	0.0	0.0
-20 percent and under	13,121,798	14.4	0.0	0	0.0	0.0
Returns with U.S. income tax	40,522,779	44.5	0.7	32,140,659	94.0	1.5
Effective tax rate:						
Under 5 percent	18,665,402	20.5	1.1	6,939,279	20.3	3.1
5 under 10 percent	17,758,227	19.5	0.4	14,021,965	41.0	1.2
10 under 15 percent	4,029,630	4.4	0.3	8,600,956	25.2	1.0
15 under 20 percent	36,315	[2]	40.5	2,572,422	7.5	0.6
20 under 25 percent	11,409	[2]	20.1	1,026	[2]	0.0
25 under 30 percent	3,953	[2]	37.5	2,319	[2]	3.1
30 under 35 percent	8,046	[2]	0.0	2,194	[2]	5.1
35 under 40 percent	1,385	[2]	13.6	36	[2]	23.3
40 under 45 percent	31	[2]	0.0	** 16	** [2]	** 0.9
45 under 50 percent	6	[2]	0.0	**	**	**
50 under 60 percent	10	[2]	0.0	313	[2]	0.0
60 under 70 percent	45	[2]	0.0	** 4	** [2]	** 3.8
70 under 80 percent	4	[2]	18.7	**	**	**
80 percent or more	8,316	[2]	0.0	130	[2]	29.2

Footnotes at end of table.

Table 11. Individual Income Tax Returns With and Without U.S. Income Tax: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2013—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	Percent of income subject to preferential tax rates	Number of returns	Percentage of total	Percent of income subject to preferential tax rates
	(25)	(26)	(27)	(28)	(29)	(30)
All returns	16,426,852	100.0	3.0	5,616,056	100.0	14.7
Returns without U.S. income tax	147,926	0.9	10.3	25,926	0.5	7.0
Effective tax rate:						
0 percent	112,756	0.7	10.0	24,825	0.4	7.0
Under 0 over -5 percent	33,171	0.2	12.3	** 1,096	** [2]	** 5.1
-5 over -10 percent	1,999	[2]	0.1	0	0.0	0.0
-10 over -15 percent	0	0.0	0.0	**	**	**
-15 over -20 percent	0	0.0	0.0	0	0.0	0.0
-20 percent and under	0	0.0	0.0	5	[2]	30.6
Returns with U.S. income tax	16,278,926	99.1	2.9	5,590,130	99.5	14.8
Effective tax rate:						
Under 5 percent	587,997	3.6	13.0	87,028	1.5	15.4
5 under 10 percent	3,556,969	21.7	4.4	126,555	2.3	28.5
10 under 15 percent	8,275,419	50.4	2.4	535,725	9.5	27.2
15 under 20 percent	3,472,647	21.1	1.6	2,133,416	38.0	15.4
20 under 25 percent	376,111	2.3	1.0	1,584,100	28.2	22.8
25 under 30 percent	7,829	[2]	2.1	835,626	14.9	9.5
30 under 35 percent	392	[2]	0.6	238,499	4.2	5.3
35 under 40 percent	912	[2]	2.8	46,995	0.8	2.6
40 under 45 percent	348	[2]	1.9	1,701	[2]	2.4
45 under 50 percent	81	[2]	0.0	272	[2]	25.0
50 under 60 percent	185	[2]	0.8	37	[2]	4.7
60 under 70 percent	** 10	** [2]	** 4.9	36	[2]	3.1
70 under 80 percent	**	**	**	60	[2]	19.9
80 percent or more	26	[2]	16.5	80	[2]	33.3

** 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. This table is based on U.S. Individual Income Tax Returns. 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, January 2016.

Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2013

[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	Percent of income subject to preferential tax rates	Number of returns	Percentage of total	Percent of income subject to preferential tax rates	Number of returns	Percentage of total	Percent of income subject to preferential tax rates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
All returns	147,351,299	100.0	6.0	93,564,192	100.0	0.9	31,803,416	100.0	1.7
Returns without worldwide income tax	52,646,727	35.7	1.6	51,105,113	54.6	0.9	1,450,197	4.6	4.4
Effective tax rate:									
0 percent	18,838,959	12.8	4.6	18,517,178	19.8	2.8	260,773	0.8	15.5
Under 0 over -5 percent	7,623,866	5.2	0.9	6,538,900	7.0	0.3	1,057,554	3.3	1.9
-5 over -10 percent	7,101,838	4.8	0.1	6,978,064	7.5	0.1	120,782	0.4	0.4
-10 over -15 percent	3,477,777	2.4	0.1	3,466,689	3.7	0.0	11,088	[2]	6.8
-15 over -20 percent	2,152,059	1.5	0.0	2,152,059	2.3	0.0	0	0.0	0.0
-20 percent and under	13,452,228	9.1	0.0	13,452,223	14.4	0.0	0	0.0	0.0
Returns with worldwide income tax	94,704,572	64.3	6.3	42,459,079	45.4	0.9	30,353,219	95.4	1.6
Effective tax rate:									
Under 5 percent	25,412,789	17.2	3.2	19,683,461	21.0	1.6	5,133,826	16.1	3.3
5 under 10 percent	36,321,515	24.6	2.2	18,824,548	20.1	0.5	13,822,698	43.5	1.4
10 under 15 percent	21,493,802	14.6	3.7	3,859,569	4.1	0.4	8,898,812	28.0	1.2
15 under 20 percent	8,170,425	5.5	7.8	39,048	[2]	28.0	2,475,397	7.8	0.7
20 under 25 percent	2,013,605	1.4	22.2	19,201	[2]	15.2	5,196	[2]	1.9
25 under 30 percent	891,644	0.6	10.7	3,986	[2]	38.5	1,913	[2]	4.7
30 under 35 percent	278,195	0.2	5.8	6,200	[2]	0.1	2,643	[2]	7.5
35 under 40 percent	72,191	[2]	2.9	2,479	[2]	0.2	2,487	[2]	4.1
40 under 45 percent	11,590	[2]	2.7	605	[2]	20.8	1,963	[2]	0.8
45 under 50 percent	6,588	[2]	5.9	26	[2]	2.4	2,088	[2]	0.7
50 under 60 percent	6,815	[2]	3.0	27	[2]	0.9	2,975	[2]	0.4
60 under 70 percent	4,754	[2]	5.0	1,174	[2]	0.1	2,483	[2]	2.7
70 under 80 percent	3,703	[2]	0.6	3,492	[2]	0.0	77	[2]	3.3
80 percent or more	16,954	[2]	[3]	15,263	[2]	[3]	661	[2]	6.7

Footnotes at end of table.

Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2013—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	Percent of income subject to preferential tax rates
	Number of returns	Percentage of total	Percent of income subject to preferential tax rates	Number of returns	Percentage of total	Percent of income subject to preferential tax rates			
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
All returns	16,425,446	100.0	3.0	5,558,244	100.0	14.8	147,351,299	100.0	5.8
Returns without worldwide income tax	87,150	0.5	13.5	4,266	0.1	5.1	52,646,727	35.7	1.3
Effective tax rate:									
0 percent	56,786	0.3	15.3	4,222	0.1	4.7	18,838,959	12.8	4.7
Under 0 over -5 percent	27,374	0.2	10.9	** 39	** [2]	** 8.9	7,995,177	5.4	0.9
-5 over -10 percent	2,991	[2]	0.0	**	**	**	6,884,084	4.7	0.1
-10 over -15 percent	0	0.0	0.0	0	0.0	0.0	3,569,796	2.4	0.1
-15 over -20 percent	0	0.0	0.0	0	0.0	0.0	2,236,909	1.5	0.0
-20 percent and under	0	0.0	0.0	5	[2]	30.6	13,121,803	8.9	0.0
Returns with worldwide income tax	16,338,296	99.5	2.9	5,553,978	99.9	14.8	94,704,572	64.3	6.2
Effective tax rate:									
Under 5 percent	564,458	3.4	12.0	31,044	0.6	12.0	26,235,599	17.8	3.1
5 under 10 percent	3,596,972	21.9	4.1	77,297	1.4	36.4	35,484,979	24.1	2.3
10 under 15 percent	8,262,412	50.3	2.5	473,009	8.5	27.6	21,464,601	14.6	3.9
15 under 20 percent	3,499,604	21.3	1.9	2,156,377	38.8	14.9	8,262,499	5.6	7.8
20 under 25 percent	386,630	2.4	1.4	1,602,579	28.8	24.0	2,014,076	1.4	21.6
25 under 30 percent	12,200	0.1	5.6	873,546	15.7	10.7	895,670	0.6	10.0
30 under 35 percent	3,875	[2]	10.6	265,477	4.8	5.8	274,332	0.2	5.5
35 under 40 percent	3,480	[2]	3.4	63,745	1.1	2.9	59,373	[2]	2.7
40 under 45 percent	2,155	[2]	1.6	6,868	0.1	2.7	2,690	[2]	2.4
45 under 50 percent	2,751	[2]	5.3	1,723	[2]	7.0	757	[2]	13.4
50 under 60 percent	2,131	[2]	0.6	1,681	[2]	5.3	589	[2]	7.2
60 under 70 percent	862	[2]	1.0	235	[2]	10.4	153	[2]	10.3
70 under 80 percent	72	[2]	3.8	61	[2]	2.3	111	[2]	7.2
80 percent or more	694	[2]	0.8	336	[2]	14.5	9,145	[2]	[3]

Footnotes at end of table.

Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2013—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	Percent of income subject to preferential tax rates	Number of returns	Percentage of total	Percent of income subject to preferential tax rates
	(19)	(20)	(21)	(22)	(23)	(24)
All returns	91,119,995	100.0	0.6	34,188,397	100.0	1.6
Returns without worldwide income tax	50,498,270	55.4	0.6	2,014,276	5.9	3.8
Effective tax rate:						
0 percent	17,885,803	19.6	3.1	850,915	2.5	6.5
Under 0 over -5 percent	6,948,545	7.6	0.3	1,016,695	3.0	1.9
-5 over -10 percent	6,749,477	7.4	0.1	132,607	0.4	0.4
-10 over -15 percent	3,555,736	3.9	0.0	14,059	[2]	5.2
-15 over -20 percent	2,236,909	2.5	0.0	0	0.0	0.0
-20 percent and under	13,121,798	14.4	0.0	0	0.0	0.0
Returns with worldwide income tax	40,621,725	44.6	0.7	32,174,121	94.1	1.5
Effective tax rate:						
Under 5 percent	18,710,280	20.5	1.1	6,922,307	20.2	3.1
5 under 10 percent	17,794,720	19.5	0.4	14,041,792	41.1	1.2
10 under 15 percent	4,044,703	4.4	0.3	8,615,965	25.2	1.0
15 under 20 percent	35,633	[2]	35.3	2,585,445	7.6	0.6
20 under 25 percent	14,364	[2]	24.8	3,601	[2]	2.0
25 under 30 percent	3,953	[2]	37.5	2,319	[2]	3.1
30 under 35 percent	8,046	[2]	0.0	2,194	[2]	5.1
35 under 40 percent	1,385	[2]	13.6	36	[2]	23.3
40 under 45 percent	31	[2]	0.0	** 16	** [2]	** 0.9
45 under 50 percent	6	[2]	0.0	**	**	**
50 under 60 percent	10	[2]	0.0	313	[2]	0.0
60 under 70 percent	45	[2]	0.0	** 4	** [2]	** 3.8
70 under 80 percent	4	[2]	18.7	**	**	**
80 percent or more	8,545	[2]	0.0	130	[2]	29.2

Footnotes at end of table.

Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2013—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	Percent of income subject to preferential tax rates	Number of returns	Percentage of total	Percent of income subject to preferential tax rates
	(25)	(26)	(27)	(28)	(29)	(30)
All returns	16,426,852	100.0	3.0	5,616,056	100.0	14.7
Returns without worldwide income tax	121,388	0.7	10.4	12,794	0.2	4.5
Effective tax rate:						
0 percent	90,495	0.6	10.2	11,745	0.2	4.4
Under 0 over -5 percent	28,893	0.2	11.8	1,044	[2]	3.8
-5 over -10 percent	1,999	[2]	0.1	0	0.0	0.0
-10 over -15 percent	0	0.0	0.0	0	0.0	0.0
-15 over -20 percent	0	0.0	0.0	0	0.0	0.0
-20 percent and under	0	0.0	0.0	5	[2]	30.6
Returns with worldwide income tax	16,305,465	99.3	2.9	5,603,262	99.8	14.8
Effective tax rate:						
Under 5 percent	558,394	3.4	13.6	44,618	0.8	17.6
5 under 10 percent	3,543,315	21.6	4.4	105,152	1.9	33.9
10 under 15 percent	8,290,380	50.5	2.5	513,553	9.1	27.8
15 under 20 percent	3,500,863	21.3	1.6	2,140,559	38.1	15.3
20 under 25 percent	393,797	2.4	1.1	1,602,315	28.5	23.3
25 under 30 percent	15,431	0.1	1.5	873,967	15.6	10.1
30 under 35 percent	1,380	[2]	0.3	262,713	4.7	5.5
35 under 40 percent	1,236	[2]	2.0	56,716	1.0	2.7
40 under 45 percent	358	[2]	1.9	2,286	[2]	2.5
45 under 50 percent	86	[2]	0.0	664	[2]	13.9
50 under 60 percent	186	[2]	0.8	79	[2]	11.7
60 under 70 percent	** 11	** [2]	** 7.6	95	[2]	10.5
70 under 80 percent	**	**	**	103	[2]	7.1
80 percent or more	27	[2]	15.7	442	[2]	9.7

** 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. This table is based on U.S. Individual Tax Returns. 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, May 2016.