

# High-Income Tax Returns for Tax Year 2014

by Justin Bryan

For Tax Year 2014, there were almost 6.3 million individual income tax returns with an expanded income of \$200,000 or more, accounting for 4.2 percent of all returns filed for the year.<sup>1</sup> Of these, 9,692 returns had no worldwide income tax liability. This was a 24.2-percent decline from the number of returns with no worldwide income tax liability for 2013, and the fifth decrease in a row since reaching an all-time high of 19,551 returns in 2009. This article presents detailed data for high-income returns for 2014 and summary data for the period 1977 to 2013. Detailed data for the years 1974 through 2013 were published previously. (See the References section for more details.)

## Income and Tax Concepts

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

income (AGI) and the “expanded income” concept. The expanded income concept 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.<sup>2, 3, 4</sup>

AGI and expanded income differed for 44.3 million (29.8 percent) of the 148.6 million individual income tax returns filed for 2014 (Figure A). Expanded income exceeded AGI in two-thirds of these returns. The average difference between expanded

**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 2014

[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)
<b>All returns</b>	<b>148,606,578</b>	<b>44,271,266</b>	<b>6,319</b>	<b>3,433</b>	<b>29,552,489</b>	<b>14,718,777</b>
Under \$50,000 [1]	92,661,098	19,679,249	13,185	13,691	16,499,234	3,180,016
\$50,000 under \$100,000	32,220,417	12,566,072	742	1,210	7,190,571	5,375,501
\$100,000 under \$200,000	17,501,251	8,584,019	-419	-253	3,910,749	4,673,270
\$200,000 or more	6,223,813	3,441,925	4,223	409	1,951,936	1,489,990
<b>Returns with positive U.S. income tax</b>	<b>96,544,079</b>	<b>33,297,026</b>	<b>3,363</b>	<b>1,867</b>	<b>20,064,740</b>	<b>13,232,286</b>
Under \$50,000 [1]	42,252,430	9,370,454	9,716	10,759	7,308,788	2,061,666
\$50,000 under \$100,000	30,698,726	11,975,334	819	1,318	6,945,357	5,029,977
\$100,000 under \$200,000	17,380,014	8,515,653	-478	-266	3,862,547	4,653,106
\$200,000 or more	6,212,908	3,435,585	4,421	406	1,948,048	1,487,537
<b>Returns with zero U.S. income tax</b>	<b>18,501,983</b>	<b>7,817,826</b>	<b>19,230</b>	<b>18,119</b>	<b>7,501,773</b>	<b>316,053</b>
Under \$50,000 [1]	18,106,471	7,535,185	19,665	18,367	7,267,036	268,149
\$50,000 under \$100,000	303,862	225,413	10,146	3,401	188,509	36,904
\$100,000 under \$200,000	80,789	50,904	10,405	4,235	42,348	8,556
\$200,000 or more	10,861	6,324	-103,530	5,617	3,881	2,443
<b>Returns with negative U.S. income tax</b>	<b>33,560,516</b>	<b>3,156,414</b>	<b>5,522</b>	<b>7,187</b>	<b>1,985,976</b>	<b>1,170,438</b>
Under \$50,000 [1]	32,302,196	2,773,610	7,302	8,992	1,923,410	850,201
\$50,000 under \$100,000	1,217,829	365,326	-7,588	-3,341	56,706	308,620
\$100,000 under \$200,000	40,448	17,463	-2,791	-1,118	5,854	11,608
\$200,000 or more	44	16	-31,277	-329	6	9

[1] Includes returns with adjusted gross deficit.

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

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.

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

<sup>2</sup> 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.

<sup>3</sup> See Notes to Appendix A, note A4.

<sup>4</sup> 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.



income and AGI was \$6,319, and the median difference was \$3,433. Although expanded income is a more comprehensive measure of income than AGI, for some taxpayers the subtractions from AGI to arrive at expanded income exceeded the additions, resulting in expanded income that was less than AGI. Returns where expanded income exceeded AGI were concentrated among returns with \$50,000 or less of AGI. Returns where AGI exceeded expanded income were concentrated among returns with more than \$50,000 of AGI.

There are also two tax concepts in this article used to classify returns as taxable or nontaxable: “U.S. income tax” and “worldwide income tax.” U.S. income tax is total Federal income tax liability, which includes the AMT, less all credits against income tax, and does not include payroll or self-employment taxes. To be considered taxable, a return had to have a positive income tax liability after accounting for all credits. A nontaxable return, on the other hand, could either have a zero or negative income tax liability after accounting for all credits (including refundable credits). Since the Federal income tax applies to worldwide income and allows a credit (subject to certain limits) for income taxes paid to foreign governments, a return could be classified as nontaxable under the U.S. income tax concept even though income taxes had been paid to a foreign government. Worldwide income tax addresses this circumstance by adding back the allowable foreign tax credit and foreign taxes paid on excluded foreign-earned income to U.S. income tax.<sup>5,6</sup> 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. Just over 35 percent of the 148.6 million tax returns filed for 2014 had zero or negative U.S. income tax liability, and 96.8 percent of these returns had AGI of \$50,000 or less—unsurprising given the progressive nature of the U.S. income tax. Only 4 out of every 1,000 returns with zero or negative U.S. income tax liability had positive worldwide income tax liability, and 34.3 percent of these returns had AGI of \$50,000 or more.

## Number of High-Income Returns

For 2014, there were slightly more than 6.2 million individual income tax returns with an AGI of at least \$200,000, and nearly 6.3 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 12.0 percent from 2013 and accounted for 4.2 percent of all returns for 2014. Similarly, the

**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 2014

Returns by U.S. tax status, size of AGI	All returns	Returns with positive worldwide income tax	Returns with zero worldwide income tax	Returns with negative worldwide income tax
	(1)	(2)	(3)	(4)
<b>Returns with positive U.S. income tax</b>	<b>96,544,079</b>	<b>96,544,079</b>	<b>0</b>	<b>0</b>
Under \$50,000 [1]	42,252,430	42,252,430	0	0
\$50,000 under \$100,000	30,698,726	30,698,726	0	0
\$100,000 under \$200,000	17,380,014	17,380,014	0	0
\$200,000 or more	6,212,908	6,212,908	0	0
<b>Returns with zero U.S. income tax</b>	<b>18,501,983</b>	<b>191,666</b>	<b>18,310,317</b>	<b>0</b>
Under \$50,000 [1]	18,106,471	124,940	17,981,531	0
\$50,000 under \$100,000	303,862	31,207	272,655	0
\$100,000 under \$200,000	80,789	28,556	52,233	0
\$200,000 or more	10,861	6,963	3,898	0
<b>Returns with negative U.S. income tax</b>	<b>33,560,516</b>	<b>18,428</b>	<b>0</b>	<b>33,542,088</b>
Under \$50,000 [1]	32,302,196	13,014	0	32,289,182
\$50,000 under \$100,000	1,217,829	5,054	0	1,212,774
\$100,000 under \$200,000	40,448	345	0	40,103
\$200,000 or more	44	15	0	29

[1] Includes returns with adjusted gross deficit.

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

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.

<sup>5</sup> 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.”

<sup>6</sup> 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.

returns with expanded incomes above the \$200,000 threshold increased 11.8 percent from 2013 and also accounted for 4.2 percent of all returns for 2014.

The \$200,000 threshold for high-income returns is measured in current-year (nominal) dollars. Because it is fixed in nominal terms, as time passes, more and more tax returns have had incomes exceeding this threshold simply due to inflation. Therefore, to facilitate a comparison of tax returns across time, Figure C shows what the \$200,000 threshold in 1976 would be each year after adjusting for inflation and the number and share of returns above this threshold.<sup>7</sup> For Tax Year 2014,

this inflation-adjusted threshold was \$832,112. Since 1977, the number of returns above this inflation-adjusted threshold has increased at a rate of approximately 6.9 percent per year. In comparison, the total number of returns has increased 1.5 percent per year since 1977.

Adjusting for inflation, the number of returns above the AGI threshold was 546,588 for Tax Year 2014 or 0.37 percent of all returns, up from 0.32 percent of all returns in 2013. Similarly, the number of returns above the inflation-adjusted threshold using the expanded income concept was 554,697 for Tax Year 2014 or 0.37 percent of all returns, up from 0.33 percent of all

**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 1977–2014**

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

Footnotes at end of figure.

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

**Figure C—Continued**

**All Returns and Returns With Income of \$200,000 or More Measured in Current and Inflation-Adjusted Dollars, by Income Concept, Tax Years 1977–2013—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
2014	832,112	546,588	554,697	0.368	0.373

[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 7 of this article for further details.

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

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.

returns in 2013. Since 1977, the number of returns above this threshold has increased, 6.2 percent per year.

Although the number of returns reporting incomes of \$200,000 or more generally increased annually from 1977 to 2014, 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.<sup>8</sup>

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.

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

**Nontaxable High-Income Returns**

Of the 6.2 million income tax returns with an AGI of \$200,000 or more, 10,905 showed no U.S. income tax liability for Tax Year 2014 (top panel of Figure D). Also, of the 6.3 million tax returns with expanded income of \$200,000 or more, 21,052 had no U.S. income tax liability. This represents a 12.9-percent decrease for high-AGI returns and an 18.8-percent decrease for high-expanded income returns with no U.S. income tax liability from the corresponding numbers of nontaxable high-income returns for 2013.

Of the returns with an AGI of \$200,000 or more, 3,927 returns showed no worldwide income tax liability for Tax Year 2014.

For returns with an expanded income of \$200,000 or more, 9,692 had no worldwide income tax liability. This represents a 7.9-percent decrease for high-AGI returns and a 24.2-percent decrease for high-expanded income returns with no worldwide income tax liability, compared to the number of returns in the same categories for 2013.

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

**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 1977–2014**

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

Footnotes at end of figure.

**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 1977–2014—Continued**

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

[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 7 of this article for further details. See Figure C, column 6, for the yearly inflation-adjusted thresholds.

NOTES: See Figure M for the derivation of U.S. income tax and worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits 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, June 2017.

income class over \$50,000. They also show that there were 6.1 million returns with incomes of \$200,000 or more as measured by both AGI and expanded income, of which 9,301 returns had no U.S. income tax liability and 2,403 returns had no worldwide income tax.

Of the roughly 547,000 returns with an AGI over the inflation-adjusted high-income threshold, 627 returns had no U.S. income tax liability in 2014, down 30.4 percent from the previous year (lower panel of Figure D). Additionally, 212 returns showed

no worldwide income tax liability, almost unchanged from 2013. Measured using expanded income, of the almost 555,000 returns above the inflation-adjusted threshold, 754 returns had no U.S. income tax liability, a 34.9-percent decrease from the number of returns for 2013, as well as 303 returns that showed no worldwide income tax liability for 2014, down 23.9 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 liability with a nominal \$200,000 threshold, while only 0.1 percent had no U.S. income tax liability using an inflation-adjusted threshold. Similarly, 0.06 percent of high-income returns over the nominal threshold and 0.04 percent of high-income returns above the inflation-adjusted threshold had no worldwide income tax liability for 2014. When using expanded income with a nominal \$200,000 threshold, 0.3 percent of high-income returns had no U.S. income tax, and 0.2 percent had no worldwide income tax for 2014, while an inflation-adjusted threshold showed that 0.1 percent had no U.S. income tax and 0.06 percent had no worldwide income tax.

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

In this figure, the spread between the two shares was small for the late 1970s, showed an increase for the early 1980s, and then narrowed before widening again after 1988. The spread generally narrowed after 1993 but increased or stayed fairly consistent from 2002 to 2007. From 2008 to 2013, the spread widened considerably. The gap (almost 0.1 percentage point) for 2014 is a decrease from past years, but was still wide compared with most of the years in this study.<sup>9</sup>

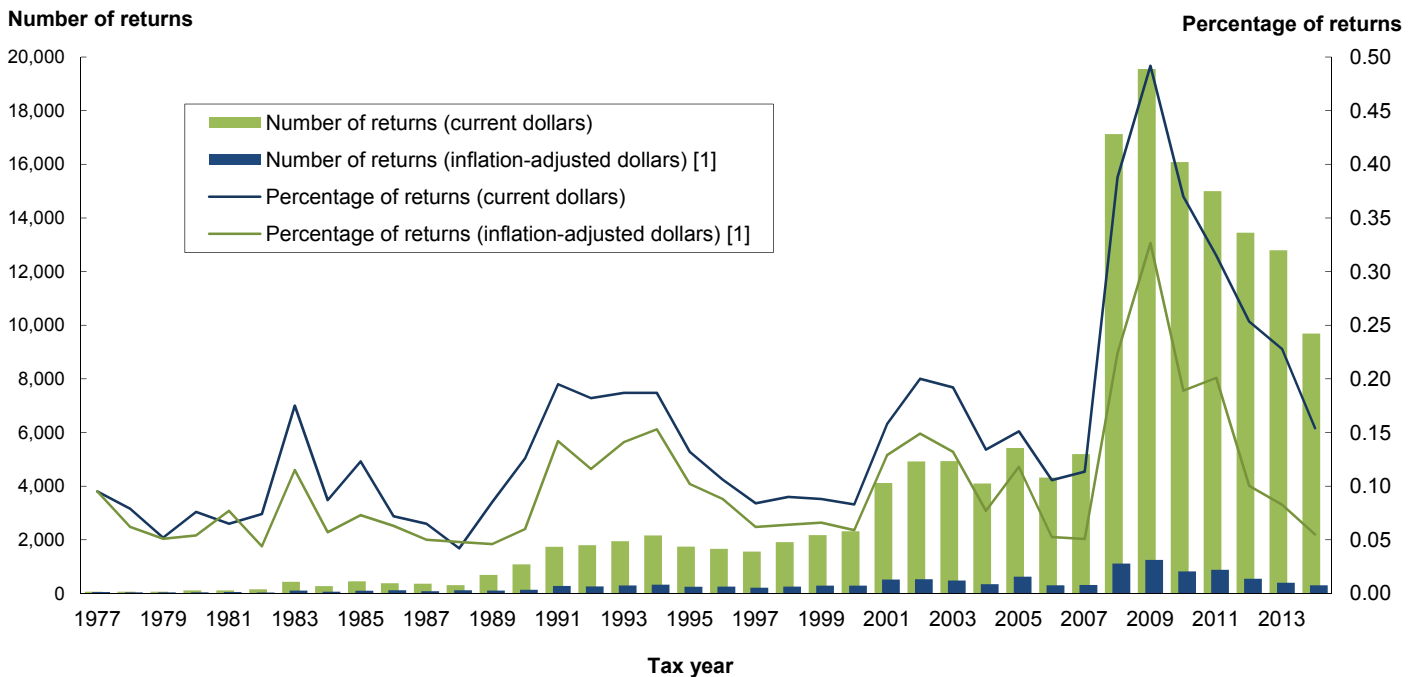
## Reasons for Nontaxability

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

**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 1977–2014**



[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 7 of this article for further details.

NOTES: See Figure M for the derivation of worldwide income tax. Starting in 2009, the portion of refundable credits that offset income taxes before credits were factored in to determine tax liability. In order to maintain historical comparability, Tax Years 2007 and 2008 data were recalculated using the new criteria. 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, June 2017.

<sup>9</sup> 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.

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.

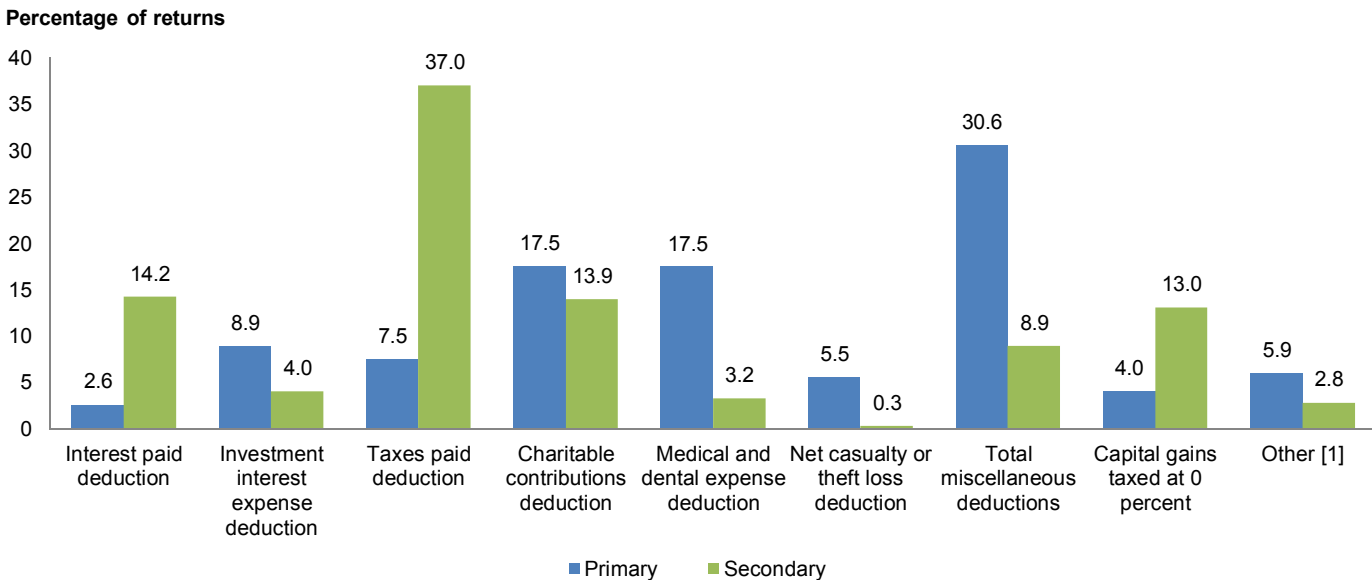
Due to the AMT exemption of \$82,100 for joint returns (\$52,800 for single and head-of-household returns and \$41,050 for returns of married taxpayers filing separately), a return could have been nontaxable even though it included some items that produced AMT adjustments or preferences.<sup>10</sup> 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 3,927 returns without any worldwide income tax and AGI of \$200,000 or more was total miscellaneous deductions, which includes deductions such as the gambling loss deduction, or property income, casualty, and theft deduction. This was the case in 30.6 percent (1,200 returns) of those returns (Figure F). The next three categories that most frequently had the largest primary effect in eliminating taxes were: 1) the charitable contributions deduction (17.5 percent or 687 returns); 2) the medical and dental expense deduction (17.5 percent or 685 returns); and 3) the investment interest expense deduction (8.9 percent or 349 returns). The item that was most frequently the secondary effect in reducing regular tax liability for high-AGI returns with no worldwide income tax was the deduction for taxes paid (37.0 percent or 1,451 returns). The next three categories that most frequently had the largest secondary effect in eliminating taxes were: 1) the interest paid deduction (14.2 percent or 558 returns); 2) the charitable contributions deduction (13.9 percent of 546 returns); and 3) capital gains taxed at 0 percent (13.0 percent or 512 returns).

Of the 9,692 returns without any worldwide income tax and expanded incomes of \$200,000 or more, the most important item

**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 2014



[1] Includes 3 returns where the primary reason for nontaxability was not identified by the data items selected for this article. Does not include returns where there was no secondary reason for nontaxability.

NOTES: Detail may not add to 100 percent because of rounding. See Figure M for the derivation of worldwide income tax. See Appendix A: Income Concepts of this article for a discussion of adjusted gross income.

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.

<sup>10</sup> 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.



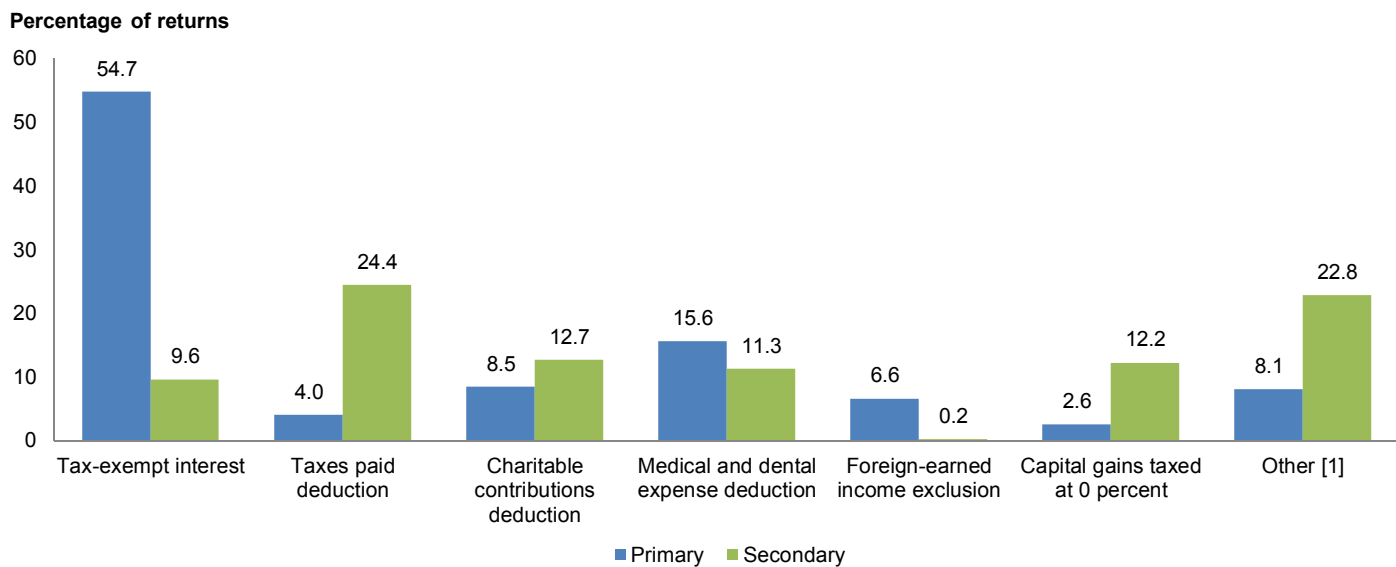
in eliminating tax, on 54.7 percent of returns, was the exclusion for interest income on State and local Government bonds (“tax-exempt interest”) (Figure G). The next three categories that most frequently had the largest primary effect on taxes were: 1) the medical and dental expense deduction (15.6 percent or 1,509 returns); 2) the charitable contributions deduction (8.5 percent or 819 returns); and 3) the foreign-earned income exclusion (6.6 percent or 638 returns). The item that was most frequently the secondary effect in reducing regular tax liability on high-expanded-income returns with no worldwide income tax was the deduction for taxes paid (24.4 percent or 2,365 returns). The next three categories that most frequently had the largest secondary effect in eliminating taxes were: 1) the charitable contributions deduction (12.7 percent or 1,229 returns); 2) capital gains taxed at 0 percent (12.2 percent or 1,183 returns); and 3) the medical and dental expense deduction (11.3 percent or 1,094 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.<sup>11</sup> 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 63.4 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 26.7 percent of the time. The foreign tax credit was the largest reason for nontaxability for both AGI (60.2 percent of the time) and expanded-income returns with no income tax (39.7 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 959 returns (or 9.9 percent) of the 9,692 returns, but there were no medical and dental expense deductions on 4,276 returns (or 44.1 percent.) Conversely, the taxes paid deduction reduced income between 0 and 30 percent of expanded income on 8,035 returns (or 82.9 percent) of the 9,692 returns, but reduced income by greater than 60 percent on only 178 returns. Similar to results shown in Figure G, tax preferences excluded from AGI, which included tax-exempt interest, reduced income by greater than 60 percent of expanded income on 3,827 returns (or 39.5 percent) of the 9,692 returns, more than any other item. In total, 7,894

**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 2014**



[1] Does not include returns where there was no secondary reason for nontaxability.

NOTES: Detail may not add to 100 percent because of rounding. See Figure M for the derivation of worldwide income tax. See Appendix A: Income Concepts of this article for a discussion of expanded income.

SOURCE: IRS, Statistics of Income Division, High-Income Tax Returns, June 2017.

<sup>11</sup> 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 2014

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	9,692	1,008	3,256	2,351	3,077
Interest paid deduction:					
Total	9,692	6,670	2,928	51	44
Investment interest expense deduction per income concept	9,692	7,445	2,178	33	36
Taxes paid deduction	9,692	1,081	8,035	398	178
Charitable contributions deduction	9,692	2,074	6,521	1,042	56
Medical and dental expense deduction	9,692	4,276	3,631	826	959
Net casualty or theft loss deduction	9,692	9,456	19	12	205
Net limited miscellaneous deduction per income concept	9,692	4,250	5,060	306	77
Nonlimited miscellaneous deduction	9,692	8,914	757	17	4
Deduction equivalent of:					
Total credits	9,692	8,995	412	160	126
Foreign tax credit	9,692	9,692	0	0	0
General business credit	9,692	9,440	94	122	37
Refundable tax credits used to offset income tax before credits	9,692	** 9,692	**	0	0
Tax preferences excluded from adjusted gross income	9,692	1,798	2,176	1,890	3,827
Nontaxable Social Security benefits	9,692	4,162	5,530	0	0
Capital gains taxed at 0 percent	9,692	5,303	3,986	403	0

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

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

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.

returns (81.4 percent) had these tax preferences excluded from AGI. Only the taxes paid deduction was claimed by more returns with 8,611 (88.8 percent). Tables 9 and 10 report the frequencies of returns in finer detail by the percentage of income reduced.

Distribution of Tax Levels

Figure I 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.<sup>12</sup> 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 0.5 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 (67.5 percent of high-expanded-income taxpayers had adjusted taxable income equal to 80 percent or more of expanded income; and 97.0 percent had adjusted taxable income equal to 50 percent or more of expanded income).

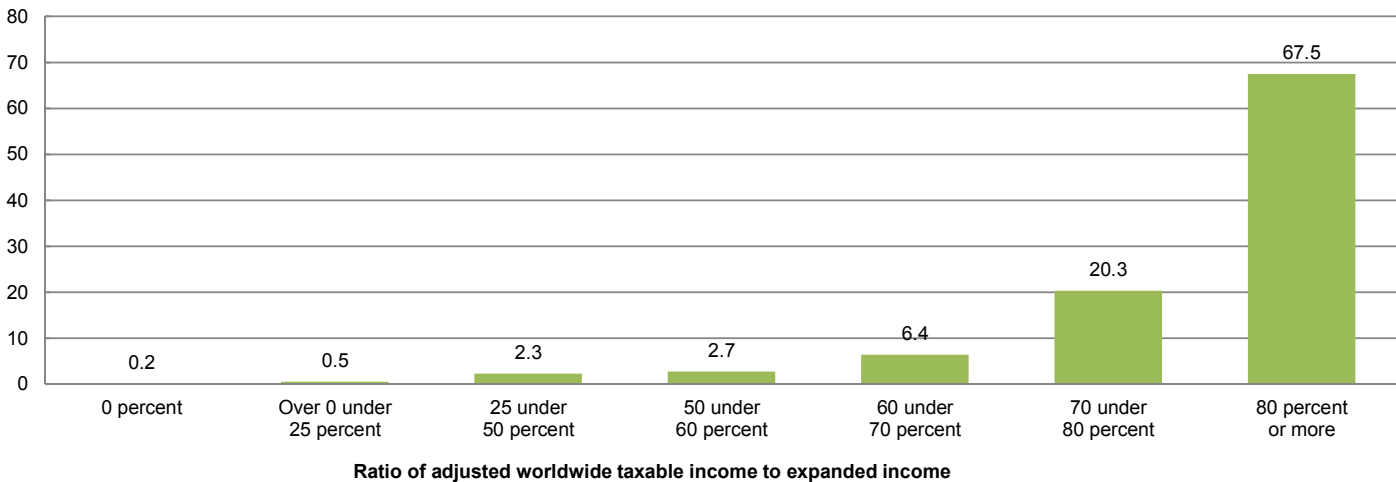
Figure J shows the distribution of all expanded-income returns by worldwide income tax burden. It classifies tax returns by size of expanded income and effective tax rate, i.e., income tax as a percentage of expanded income. This figure illustrates the wide

<sup>12</sup> 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 2014**

Percentage of returns



NOTES: Detail may not add to 100 percent because of rounding. See Appendix A: Income Concepts of this article for a discussion of expanded income.  
SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.

dispersion of effective tax rates for all returns. For example, while 2.8 percent of returns with expanded incomes of \$200,000 or more had worldwide income tax of less than 10 percent of income, 21.1 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 2.6 percent of taxpayers with an expanded income between \$100,000 and \$200,000 had effective tax rates of 20 percent or more, including only 0.1 percent with effective tax rates of 25 percent or more.

**Characteristics of Tax Returns**

By comparing 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 (81.5 percent) than taxable returns (26.6 percent) to have tax-exempt interest, and when they did, the average amount for nontaxable returns (\$238,828) was much higher than the average amount for all taxable returns (\$25,286) (Figure K). Similarly, nontaxable returns (31.0 percent) were much less likely than high-income taxable returns (87.0 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 2014**

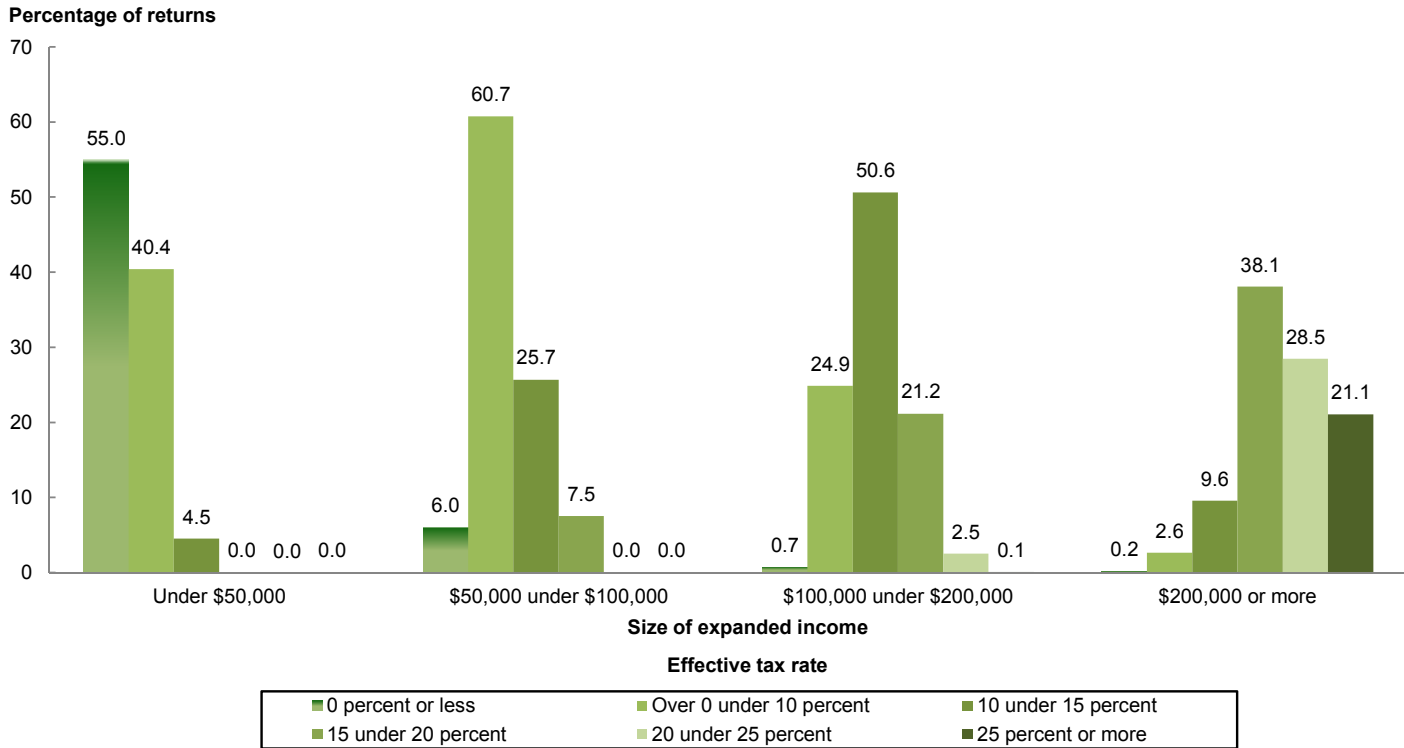
Tables 1 through 12 present data based on income tax returns for 2014, mainly those with income of \$200,000 or more (measured in current-year dollars) of AGI or expanded income. Most of

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.

**Figure J**  
**Distribution of Effective Worldwide Income Tax Rate by Size of Expanded Income, Tax Year 2014**



NOTES: Detail may not add to 100 percent because of rounding. See Figure M for the derivation of worldwide income tax. See Appendix A: Income Concepts of this article for a discussion of expanded income.  
 SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.

**Figure K**  
**Returns With Expanded Income of \$200,000 or More: Percentage and Average for Selected Items, Tax Year 2014**

[Money amounts are in whole dollars]

Selected items	Returns with expanded income of \$200,000 or more			
	Returns with worldwide income tax		Returns without worldwide income tax	
	Percentage of returns	Average amount	Percentage of returns	Average amount
	(1)	(2)	(3)	(4)
Salaries and wages	87.0	305,949	31.0	129,958
Tax-exempt interest	26.6	25,286	81.5	238,828
Qualified dividends	66.8	30,380	83.3	51,988
Social Security benefits (nontaxable)	19.0	4,576	57.1	4,234
Medical and dental expense deduction	2.8	26,378	55.9	68,764
Net limited miscellaneous deductions per adjusted gross income concept	15.6	23,576	57.2	31,771

NOTES: There were 6,279,428 returns with expanded income of \$200,000 or more; 9,692 of these returns did not have any worldwide income tax. See Figure M for the derivation of worldwide income tax. See Appendix A: Income Concepts of this article for a discussion of expanded income.  
 SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.

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## Appendix A: Income Concepts

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

Figure L  
Derivation of Expanded Income From Adjusted Gross Income,  
Tax Years 1977–2014

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

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, June 2017.

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) 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

**Figure M**  
**Derivation of “U.S. Income Tax” and “Worldwide Income Tax,”**  
**Tax Year 2014**

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

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

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 Liability: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2014**

[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)
<b>All returns</b>					
<b>Total</b>	<b>148,606,578</b>	<b>92,661,098</b>	<b>32,220,417</b>	<b>17,501,251</b>	<b>6,223,813</b>
Under \$50,000 [1]	90,294,751	89,490,422	791,956	8,991	3,383
\$50,000 under \$100,000	34,521,485	3,103,366	30,942,368	472,019	3,733
\$100,000 under \$200,000	17,510,914	63,295	479,465	16,868,773	99,381
\$200,000 or more	6,279,428	4,015	6,628	151,468	6,117,317
<b>Returns with U.S. income tax</b>					
<b>Total</b>	<b>96,544,079</b>	<b>42,252,430</b>	<b>30,698,726</b>	<b>17,380,014</b>	<b>6,212,908</b>
Under \$50,000 [1]	40,537,004	39,860,278	669,325	5,098	2,302
\$50,000 under \$100,000	32,406,775	2,365,799	29,569,733	467,645	3,599
\$100,000 under \$200,000	17,341,924	25,074	455,245	16,762,614	98,991
\$200,000 or more	6,258,376	1,279	4,423	144,657	6,108,016
<b>Returns without U.S. income tax</b>					
<b>Total</b>	<b>52,062,499</b>	<b>50,408,668</b>	<b>1,521,690</b>	<b>121,237</b>	<b>10,905</b>
Under \$50,000 [1]	49,757,747	49,630,144	122,630	3,893	1,080
\$50,000 under \$100,000	2,114,710	737,567	1,372,635	4,374	134
\$100,000 under \$200,000	168,990	38,221	24,220	106,160	390
\$200,000 or more	21,052	2,736	2,205	6,811	9,301

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

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

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.

**Table 2. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number of Returns, by Size of Income Under Alternative Concepts, Tax Year 2014**

[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)
<b>All returns</b>					
<b>Total</b>	<b>148,606,578</b>	<b>92,661,098</b>	<b>32,220,417</b>	<b>17,501,251</b>	<b>6,223,813</b>
Under \$50,000 [1]	90,294,751	89,490,422	791,956	8,991	3,383
\$50,000 under \$100,000	34,521,485	3,103,366	30,942,368	472,019	3,733
\$100,000 under \$200,000	17,510,914	63,295	479,465	16,868,773	99,381
\$200,000 or more	6,279,428	4,015	6,628	151,468	6,117,317
<b>Returns with worldwide income tax</b>					
<b>Total</b>	<b>96,754,173</b>	<b>42,390,385</b>	<b>30,734,988</b>	<b>17,408,915</b>	<b>6,219,886</b>
Under \$50,000 [1]	40,656,052	39,979,320	669,328	5,098	2,305
\$50,000 under \$100,000	32,447,920	2,378,303	29,598,065	467,948	3,605
\$100,000 under \$200,000	17,380,465	31,098	462,539	16,787,766	99,062
\$200,000 or more	6,269,736	1,664	5,056	148,103	6,114,914
<b>Returns without worldwide income tax</b>					
<b>Total</b>	<b>51,852,405</b>	<b>50,270,713</b>	<b>1,485,429</b>	<b>92,336</b>	<b>3,927</b>
Under \$50,000 [1]	49,638,699	49,511,101	122,627	3,893	1,077
\$50,000 under \$100,000	2,073,565	725,063	1,344,303	4,071	128
\$100,000 under \$200,000	130,449	32,197	16,926	81,007	319
\$200,000 or more	9,692	2,351	1,572	3,365	2,403

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

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

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.



**Table 3. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept, Tax Year 2014**

[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)
<b>Total</b>	<b>6,223,813</b>	<b>100.0</b>	<b>100.0</b>	<b>6,279,428</b>	<b>100.0</b>	<b>100.0</b>
<b>Returns without U.S. income tax</b>	<b>10,905</b>	<b>0.2</b>	<b>0.2</b>	<b>21,052</b>	<b>0.3</b>	<b>0.3</b>
<b>Returns with U.S. income tax: Total</b>	<b>6,212,908</b>	<b>99.8</b>	<b>N/A</b>	<b>6,258,376</b>	<b>99.7</b>	<b>N/A</b>
<b>Ratio of adjusted taxable income to income per concept:</b>						
Over 0 under 5 percent	14,913	0.2	0.2	22,498	0.4	0.4
5 under 10 percent	10,363	0.2	0.4	11,743	0.2	0.5
10 under 15 percent	10,123	0.2	0.6	15,455	0.2	0.8
15 under 20 percent	11,024	0.2	0.7	14,459	0.2	1.0
20 under 25 percent	9,738	0.2	0.9	12,351	0.2	1.2
25 under 30 percent	11,965	0.2	1.1	16,812	0.3	1.5
30 under 35 percent	19,038	0.3	1.4	23,817	0.4	1.9
35 under 40 percent	23,371	0.4	1.8	28,555	0.5	2.3
40 under 45 percent	27,315	0.4	2.2	44,195	0.7	3.0
45 under 50 percent	47,547	0.8	3.0	63,522	1.0	4.0
50 under 60 percent	160,485	2.6	5.6	187,347	3.0	7.0
60 under 70 percent	390,716	6.3	11.8	415,947	6.6	13.6
70 under 80 percent	1,313,821	21.1	32.9	1,281,081	20.4	34.0
80 percent or more	4,162,491	66.9	99.8	4,120,594	65.6	99.7

N/A—Not applicable.

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

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.

**Table 4. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Adjusted Taxable Income to Income Per Concept, Tax Year 2014**

[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)
<b>Total</b>	<b>6,223,813</b>	<b>100.0</b>	<b>100.0</b>	<b>6,279,428</b>	<b>100.0</b>	<b>100.0</b>
<b>Returns without worldwide income tax</b>	<b>3,927</b>	<b>0.1</b>	<b>0.1</b>	<b>9,692</b>	<b>0.2</b>	<b>0.2</b>
<b>Returns with worldwide income tax: Total</b>	<b>6,219,886</b>	<b>99.9</b>	<b>N/A</b>	<b>6,269,736</b>	<b>99.8</b>	<b>N/A</b>
<b>Ratio of adjusted taxable income to income per concept:</b>						
Over 0 percent under 5 percent	3,172	0.1	0.1	4,261	0.1	0.1
5 percent under 10 percent	4,227	0.1	0.1	4,424	0.1	0.1
10 percent under 15 percent	3,888	0.1	0.2	7,182	0.1	0.3
15 percent under 20 percent	5,094	0.1	0.3	7,956	0.1	0.4
20 percent under 25 percent	5,988	0.1	0.4	9,369	0.1	0.5
25 percent under 30 percent	7,500	0.1	0.5	10,492	0.2	0.7
30 percent under 35 percent	13,138	0.2	0.7	17,836	0.3	1.0
35 percent under 40 percent	17,529	0.3	1.0	22,076	0.4	1.3
40 percent under 45 percent	25,141	0.4	1.4	37,951	0.6	1.9
45 percent under 50 percent	38,797	0.6	2.0	56,689	0.9	2.8
50 percent under 60 percent	145,942	2.3	4.3	172,544	2.7	5.6
60 percent under 70 percent	381,316	6.1	10.5	404,166	6.4	12.0
70 percent under 80 percent	1,296,273	20.8	31.3	1,275,246	20.3	32.3
80 percent or more	4,271,881	68.6	99.9	4,239,545	67.5	99.8

N/A—Not applicable.

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

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.

**Table 5. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2014**

[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)
<b>Adjusted Gross Income Concept</b>						
Salaries and wages	5,461,749	1,673,919,135	5,453,939	1,671,384,447	7,810	2,534,688
Business or profession:						
Net income	1,114,917	114,271,272	1,113,405	114,045,171	1,512	226,101
Net loss	367,425	8,895,125	366,707	8,840,352	718	54,772
Farm:						
Net income	52,910	5,342,725	52,818	5,336,371	92	6,353
Net loss	106,319	5,252,558	106,069	5,232,132	250	20,425
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,801,808	582,844,122	1,800,329	582,595,385	1,480	248,737
Net loss	536,787	48,378,809	535,143	47,937,927	1,644	440,883
Sales of capital assets:						
Net gain	3,022,777	586,204,437	3,019,685	585,533,719	3,092	670,718
Net loss	1,165,211	2,900,317	1,162,491	2,893,055	2,720	7,262
Sales of property other than capital assets:						
Net gain	344,556	22,819,579	343,912	22,779,456	644	40,123
Net loss	334,629	6,012,410	333,954	5,952,977	675	59,433
Taxable interest received	5,057,883	54,921,563	5,051,349	54,710,155	6,534	211,409
Tax-exempt interest	1,586,003	37,279,696	1,584,014	37,165,716	1,989	113,980
Dividends	4,253,971	159,299,105	4,248,794	158,856,469	5,176	442,636
Qualified dividends	4,111,024	125,557,685	4,106,430	125,210,162	4,594	347,523
Pensions and annuities in adjusted gross income	1,438,330	77,474,586	1,436,695	77,393,655	1,635	80,932
Rent:						
Net income	734,042	30,785,912	733,009	30,738,396	1,033	47,516
Net loss, total (deductible and nondeductible)	840,501	13,350,212	838,698	13,285,290	1,802	64,922
Nondeductible rental loss	652,290	8,660,036	650,912	8,622,342	1,379	37,695
Royalty:						
Net income	545,488	25,389,262	544,547	25,375,538	941	13,724
Net loss	19,782	204,548	19,734	203,874	48	674
Estate or trust:						
Net income	155,378	25,033,424	155,154	25,021,029	223	12,396
Net loss	16,344	1,618,883	16,271	1,588,637	73	30,246
State income tax refunds	2,240,224	12,672,038	2,238,889	12,652,791	1,334	19,247
Alimony received	11,670	1,779,152	11,662	1,778,348	* 8	* 804
Social Security benefits in adjusted gross income	1,107,436	28,603,845	1,105,505	28,554,537	1,931	49,307
Social Security benefits (nontaxable)	1,107,557	5,051,558	1,105,581	5,042,093	1,976	9,465
Unemployment compensation	136,009	774,715	135,940	774,148	69	566
Other income	800,417	22,150,979	798,748	22,031,239	1,669	119,740
Other loss	52,873	1,677,887	52,265	1,653,025	608	24,862
Foreign-earned income exclusion	43,820	4,048,791	41,878	3,853,867	1,942	194,924
<b>Total income</b>	<b>6,223,813</b>	<b>3,400,492,406</b>	<b>6,212,908</b>	<b>3,396,098,784</b>	<b>10,905</b>	<b>4,393,622</b>
Statutory adjustments, total	2,490,604	54,066,694	2,488,172	54,023,504	2,431	43,191
Payments to Individual Retirement Arrangements	153,863	1,448,837	153,692	1,447,369	172	1,467
Payments to self-employed retirement (Keogh) plans	469,194	16,070,469	469,020	16,064,604	174	5,866
Moving expenses adjustment	76,883	531,841	76,784	530,968	99	873
<b>Adjusted gross income</b>	<b>6,223,813</b>	<b>3,346,425,711</b>	<b>6,212,908</b>	<b>3,342,075,280</b>	<b>10,905</b>	<b>4,350,431</b>
Investment interest expense deduction	742,466	12,804,030	740,778	12,566,074	1,688	237,956
Total tax preferences excluded from adjusted gross income [2]	1,601,980	39,871,201	1,599,963	39,758,442	2,016	112,759
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	32,199	2,681,551	32,159	2,681,231	39	321
Passive activity loss (alternative minimum tax adjustment)	716,268	1,404,028	715,256	1,407,331	1,013	-3,304

Footnotes at end of table.



**Table 5. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2014—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)
<b>Expanded income</b>	<b>6,223,647</b>	<b>3,360,960,660</b>	<b>6,212,907</b>	<b>3,357,265,482</b>	<b>10,739</b>	<b>3,695,179</b>
Exemption amount	4,545,523	45,809,308	4,536,704	45,724,996	8,819	84,312
Itemized deductions:						
Total per adjusted gross income concept	5,782,287	422,705,795	5,775,625	420,883,622	6,662	1,822,172
Charitable contributions deduction	5,349,353	106,985,451	5,344,504	106,784,997	4,850	200,454
Interest paid deduction:						
Total per adjusted gross income concept	4,661,061	76,526,793	4,656,263	76,193,735	4,798	333,058
Total home mortgage interest	4,423,189	63,493,910	4,419,069	63,399,635	4,120	94,275
Medical and dental expense deduction	155,567	4,410,125	154,242	4,258,842	1,325	151,283
Net casualty or theft loss deduction	3,809	294,164	3,577	188,966	232	105,198
Taxes paid deduction	5,776,452	242,241,011	5,770,250	242,017,576	6,202	223,435
Net limited miscellaneous deductions per adjusted gross income concept	1,016,799	23,771,411	1,014,640	23,672,977	2,159	98,435
Nonlimited miscellaneous deductions	284,601	13,161,693	282,998	12,435,113	1,603	726,580
Excess of exemptions and deductions over adjusted gross income	6,577	1,951,791	4,458	1,591,746	2,119	360,045
Taxable income	6,217,213	2,874,563,698	6,208,448	2,871,800,973	8,766	2,762,725
Tax at regular rates	6,211,997	776,280,377	6,204,582	775,531,982	7,415	748,394
Alternative minimum tax (Form 6251)	3,510,390	26,697,075	3,510,129	26,694,483	262	2,591
Income tax before credits	6,218,164	803,255,663	6,210,698	802,504,635	7,467	751,029
Tax credits, total	2,932,143	23,496,175	2,924,684	22,745,091	7,459	751,085
Child care credit	569,664	321,986	569,560	321,941	104	45
Minimum tax credit	156,459	736,682	156,311	734,868	149	1,814
Foreign tax credit	2,213,858	19,158,574	2,206,879	18,420,907	6,978	737,667
General business credit	171,595	2,654,989	171,215	2,648,632	380	6,357
Refundable credits used to offset income tax before credits	4,401	23,679	** 4,401	** 23,679	**	**
U.S. total income tax	6,212,908	802,230,548	6,212,908	802,230,548	0	0
Taxable income which would yield:						
Income tax before credits less excess advance PTC repayment [3]	6,218,144	2,657,131,534	6,210,689	2,654,535,397	7,454	2,596,136
Income tax after credits	6,203,691	2,591,583,108	6,203,691	2,591,583,108	0	0
U.S. total income tax	6,212,908	2,650,526,980	6,212,908	2,650,526,980	0	0
Reconciliation of adjusted gross income and expanded income:						
<b>Adjusted gross income</b>	<b>6,223,813</b>	<b>3,346,425,711</b>	<b>6,212,908</b>	<b>3,342,075,280</b>	<b>10,905</b>	<b>4,350,431</b>
plus: Total tax preferences excluded from adjusted gross income [2]	1,601,980	39,871,201	1,599,963	39,758,442	2,016	112,759
Social Security benefits (nontaxable)	1,107,557	5,051,558	1,105,581	5,042,093	1,976	9,465
Foreign-earned income exclusion	43,820	4,048,791	41,878	3,853,867	1,942	194,924
minus: Investment interest expense deduction	742,466	12,804,030	740,778	12,566,074	1,688	237,956
Nonlimited miscellaneous deductions	284,601	13,161,693	282,998	12,435,113	1,603	726,580
Unreimbursed employee business expenses	1,159,674	8,470,878	1,159,038	8,463,013	635	7,865
<b>Equals: Expanded income</b>	<b>6,223,647</b>	<b>3,360,960,660</b>	<b>6,212,907</b>	<b>3,357,265,482</b>	<b>10,739</b>	<b>3,695,179</b>

Footnotes at end of table.

**Table 5. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2014—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)
<b>Expanded Income Concept</b>						
Salaries and wages	5,458,678	1,669,546,672	5,445,603	1,665,967,624	13,075	3,579,048
Business or profession:						
Net income	1,127,512	115,131,254	1,125,282	114,861,734	2,230	269,519
Net loss	365,782	8,871,328	364,660	8,749,300	1,123	122,028
Farm:						
Net income	53,463	5,372,080	53,326	5,365,625	137	6,455
Net loss	106,892	5,241,214	106,519	5,210,305	372	30,908
Partnership and S Corporation net income after Section 179 property						
Net income	1,811,308	583,104,862	1,808,780	582,846,117	2,528	258,744
Net loss	549,072	48,149,772	545,595	47,531,980	3,477	617,791
Sales of capital assets:						
Net gain	3,076,066	587,984,255	3,069,153	587,197,196	6,913	787,059
Net loss	1,198,061	2,988,718	1,191,329	2,970,251	6,732	18,467
Sales of property other than capital assets:						
Net gain	349,615	22,800,469	348,282	22,760,793	1,333	39,675
Net loss	341,501	6,028,117	340,133	5,945,966	1,369	82,151
Taxable interest received	5,136,433	54,919,061	5,121,542	54,669,135	14,890	249,925
Tax-exempt interest	1,676,742	44,083,821	1,667,940	42,142,354	8,801	1,941,468
Dividends	4,339,396	162,096,279	4,326,378	161,239,302	13,019	856,977
Qualified dividends	4,193,820	127,583,687	4,182,009	126,951,238	11,811	632,448
Pensions and annuities in adjusted gross income	1,485,228	80,161,040	1,481,508	80,028,815	3,720	132,225
Rent:						
Net income	746,360	31,055,007	744,382	30,993,910	1,979	61,097
Net loss, total (deductible and nondeductible)	845,150	13,391,329	841,860	13,306,361	3,290	84,968
Nondeductible rental loss	655,444	8,680,102	653,420	8,635,858	2,024	44,244
Royalty:						
Net income	561,339	25,534,631	559,070	25,515,973	2,269	18,659
Net loss	20,992	209,204	20,895	204,780	97	4,424
Estate or trust:						
Net income	160,513	25,112,395	159,897	25,095,607	617	16,788
Net loss	17,874	1,616,976	17,702	1,580,453	172	36,523
State income tax refunds	2,235,499	12,703,882	2,232,985	12,676,530	2,514	27,352
Alimony received	11,677	1,779,269	11,663	1,778,439	14	830
Social Security benefits in adjusted gross income	1,197,545	31,024,564	1,191,477	30,879,856	6,068	144,707
Social Security benefits (nontaxable)	1,197,710	5,478,687	1,191,565	5,451,754	6,145	26,934
Unemployment compensation	134,082	759,596	133,993	758,932	89	665
Other income	810,525	22,191,578	807,486	22,055,958	3,039	135,620
Other loss	66,336	2,035,483	64,541	1,985,509	1,795	49,973
Foreign-earned income exclusion	75,714	7,444,772	69,058	6,645,234	6,656	799,538
Total income	6,279,427	3,401,520,346	6,258,376	3,396,810,771	21,051	4,709,576
Statutory adjustments, total	2,500,213	54,307,389	2,496,157	54,249,588	4,056	57,801
Payments to Individual Retirement Arrangements	156,193	1,465,272	155,822	1,462,141	371	3,132
Payments to self-employed retirement (Keogh) plans	473,657	16,136,392	473,426	16,128,924	231	7,468
Moving expenses adjustment	76,755	527,382	76,599	526,199	156	1,182
<b>Adjusted gross income</b>	<b>6,279,427</b>	<b>3,347,212,957</b>	<b>6,258,376</b>	<b>3,342,561,182</b>	<b>21,051</b>	<b>4,651,774</b>
Investment interest expense deduction	748,178	11,434,336	745,350	11,352,491	2,828	81,845
Total tax preferences excluded from adjusted gross income [2]	1,695,519	47,099,422	1,686,691	45,157,242	8,827	1,942,180
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	35,394	3,096,170	35,313	3,093,477	81	2,693
Passive activity loss (alternative minimum tax adjustment)	731,289	1,403,349	729,105	1,406,238	2,184	-2,889

Footnotes at end of table.

**Table 5. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2014—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)
<b>Expanded income</b>	<b>6,279,428</b>	<b>3,380,889,886</b>	<b>6,258,376</b>	<b>3,373,588,057</b>	<b>21,052</b>	<b>7,301,829</b>
Exemption amount	4,605,723	46,050,996	4,586,364	45,869,344	19,359	181,653
Itemized deductions:						
Total per adjusted gross income concept	5,798,230	416,712,972	5,785,408	415,139,967	12,822	1,573,005
Total per expanded income concept	5,797,504	438,131,661	5,784,721	436,649,820	12,783	1,481,841
Charitable contributions deduction	5,365,275	107,696,799	5,355,053	107,398,387	10,222	298,412
Interest paid deduction:						
Total per adjusted gross income concept	4,634,398	74,779,757	4,626,829	74,573,803	7,569	205,953
Total per expanded income concept	4,400,367	63,345,420	4,394,341	63,221,312	6,026	124,108
Total home mortgage interest	4,389,748	63,119,381	4,383,755	62,996,016	5,994	123,365
Medical and dental expense deduction	181,328	5,012,648	175,487	4,630,003	5,841	382,645
Net casualty or theft loss deduction		3,528	3,283	177,322	245	105,087
Taxes paid deduction	5,791,561	242,697,805	5,779,405	242,313,066	12,155	384,738
Net limited miscellaneous deductions per adjusted gross income concept	985,102	23,270,153	978,614	23,077,186	6,488	192,967
Nonlimited miscellaneous deductions	258,911	7,599,446	257,954	7,585,648	956	13,799
Excess of exemptions and deductions over adjusted gross income	9,391	1,546,023	4,233	1,099,558	5,157	446,466
Taxable income	6,270,036	2,880,224,504	6,254,143	2,876,965,598	15,893	3,258,906
Tax at regular rates	6,261,926	777,220,388	6,250,031	776,363,634	11,895	856,754
Alternative minimum tax (Form 6251)	3,487,591	26,704,011	3,487,265	26,701,326	325	2,684
Income tax before credits	6,268,661	804,202,671	6,256,687	803,343,188	11,973	859,483
Tax credits, total	2,986,144	23,938,874	2,974,171	23,079,355	11,973	859,520
Child care credit	560,703	316,302	560,523	316,228	180	74
Minimum tax credit	157,339	735,294	157,035	733,207	305	2,087
Foreign tax credit	2,281,373	19,615,215	2,270,031	18,770,255	11,341	844,959
General business credit	173,236	2,653,598	172,794	2,647,259	442	6,339
Refundable credits used to offset income tax before credits	5,513	24,616	5,510	24,615	* 3	* 1
U.S. total income tax	6,258,376	802,726,681	6,258,376	802,726,681	0	0
Taxable income which would yield:						
Income tax before credits less excess advance PTC repayment [3]	6,268,657	2,661,959,773	6,256,687	2,658,838,774	11,970	3,120,999
Income tax after credits	6,248,241	2,594,451,226	6,248,241	2,594,451,226	0	0
U.S. total income tax	6,258,376	2,653,365,324	6,258,376	2,653,365,324	0	0
Reconciliation of adjusted gross income and expanded income:						
<b>Adjusted gross income</b>	<b>6,279,427</b>	<b>3,347,212,957</b>	<b>6,258,376</b>	<b>3,342,561,182</b>	<b>21,051</b>	<b>4,651,774</b>
plus: Total tax preferences excluded from adjusted gross income [2]	1,695,519	47,099,422	1,686,691	45,157,242	8,827	1,942,180
Social Security benefits (nontaxable)	1,197,710	5,478,687	1,191,565	5,451,754	6,145	26,934
Foreign-earned income exclusion	75,714	7,444,772	69,058	6,645,234	6,656	799,538
minus: Investment interest expense deduction	748,178	11,434,336	745,350	11,352,491	2,828	81,845
Nonlimited miscellaneous deductions	258,911	7,599,446	257,954	7,585,648	956	13,799
Unreimbursed employee business expenses	1,091,080	7,295,142	1,090,116	7,287,682	964	7,460
<b>Equals: Expanded income</b>	<b>6,279,428</b>	<b>3,380,889,886</b>	<b>6,258,376</b>	<b>3,373,588,057</b>	<b>21,052</b>	<b>7,301,829</b>

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

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

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.

**Table 6. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2014**

[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)
<b>Adjusted Gross Income Concept</b>						
Salaries and wages	5,461,749	1,673,919,135	5,460,004	1,673,658,078	1,745	261,056
Business or profession:						
Net income	1,114,917	114,271,272	1,114,230	114,223,919	687	47,353
Net loss	367,425	8,895,125	366,971	8,849,156	454	45,968
Farm:						
Net income	52,910	5,342,725	52,837	5,336,715	74	6,010
Net loss	106,319	5,252,558	106,182	5,236,320	137	16,238
Partnership and S Corporation net income after Section 179 property deduction: [1]						
Net income	1,801,808	582,844,122	1,800,831	582,725,938	978	118,184
Net loss	536,787	48,378,809	535,561	48,028,659	1,226	350,150
Sales of capital assets:						
Net gain	3,022,777	586,204,437	3,020,763	585,809,792	2,014	394,644
Net loss	1,165,211	2,900,317	1,164,210	2,897,456	1,000	2,862
Sales of property other than capital assets:						
Net gain	344,556	22,819,579	344,014	22,783,563	542	36,016
Net loss	334,629	6,012,410	334,145	5,966,231	484	46,179
Taxable interest received	5,057,883	54,921,563	5,054,827	54,744,972	3,056	176,591
Tax-exempt interest	1,586,003	37,279,696	1,584,435	37,172,431	1,568	107,265
Dividends	4,253,971	159,299,105	4,251,373	159,070,047	2,598	229,057
Qualified dividends	4,111,024	125,557,685	4,108,507	125,397,052	2,517	160,633
Pensions and annuities in adjusted gross income	1,438,330	77,474,586	1,437,215	77,423,968	1,115	50,618
Rent:						
Net income	734,042	30,785,912	733,531	30,761,272	511	24,640
Net loss, total (deductible and nondeductible)	840,501	13,350,212	839,836	13,313,010	665	37,202
Nondeductible rental loss	652,290	8,660,036	651,869	8,641,681	421	18,356
Royalty:						
Net income	545,488	25,389,262	544,717	25,378,650	771	10,612
Net loss	19,782	204,548	19,746	204,008	35	540
Estate or trust:						
Net income	155,378	25,033,424	155,208	25,024,131	169	9,294
Net loss	16,344	1,618,883	16,280	1,589,693	64	29,189
State income tax refunds	2,240,224	12,672,038	2,239,315	12,655,170	909	16,868
Alimony received	11,670	1,779,152	11,665	1,778,869	* 5	* 283
Social Security benefits in adjusted gross income	1,107,436	28,603,845	1,105,781	28,561,114	1,655	42,730
Social Security benefits (nontaxable)	1,107,557	5,051,558	1,105,903	5,044,017	1,655	7,541
Unemployment compensation	136,009	774,715	135,962	774,344	47	371
Other income	800,417	22,150,979	799,618	22,120,154	800	30,825
Other loss	52,873	1,677,887	52,824	1,669,151	49	8,736
Foreign-earned income exclusion	43,820	4,048,791	43,812	4,048,300	* 8	* 491
<b>Total income</b>	<b>6,223,813</b>	<b>3,400,492,406</b>	<b>6,219,886</b>	<b>3,399,000,272</b>	<b>3,927</b>	<b>1,492,134</b>
Statutory adjustments, total	2,490,604	54,066,694	2,489,132	54,042,044	1,472	24,650
Payments to Individual Retirement Arrangements	153,863	1,448,837	153,800	1,448,250	63	587
Payments to self-employed retirement (Keogh) plans	469,194	16,070,469	469,098	16,067,435	96	3,034
Moving expenses adjustment	76,883	531,841	76,867	531,635	16	205
<b>Adjusted gross income</b>	<b>6,223,813</b>	<b>3,346,425,711</b>	<b>6,219,886</b>	<b>3,344,958,228</b>	<b>3,927</b>	<b>1,467,483</b>
Investment interest expense deduction	742,466	12,804,030	741,200	12,581,033	1,266	222,998
Total tax preferences excluded from adjusted gross income [2]	1,601,980	39,871,201	1,600,390	39,764,972	1,590	106,229
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	32,199	2,681,551	32,166	2,681,237	33	314
Passive activity loss (alternative minimum tax adjustment)	716,268	1,404,028	715,543	1,404,240	725	-212

Footnotes at end of table.

**Table 6. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2014—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)
<b>Expanded income</b>	<b>6,223,647</b>	<b>3,360,960,660</b>	<b>6,219,885</b>	<b>3,360,327,651</b>	<b>3,762</b>	<b>633,009</b>
Exemption amount	4,545,523	45,809,308	4,542,107	45,775,205	3,416	34,102
Itemized deductions:						
Total per adjusted gross income concept	5,782,287	422,705,795	5,778,404	421,028,225	3,883	1,677,569
Charitable contributions deduction	5,349,353	106,985,451	5,346,272	106,821,172	3,081	164,279
Interest paid deduction:						
Total per adjusted gross income concept	4,661,061	76,526,793	4,658,532	76,246,188	2,529	280,605
Total home mortgage interest	4,423,189	63,493,910	4,421,173	63,436,953	2,016	56,958
Medical and dental expense deduction	155,567	4,410,125	154,388	4,263,952	1,179	146,174
Net casualty or theft loss deduction	3,809	294,164	3,585	189,670	224	104,495
Taxes paid deduction	5,776,452	242,241,011	5,772,656	242,060,361	3,796	180,650
Net limited miscellaneous deductions per adjusted gross income concept	1,016,799	23,771,411	1,015,155	23,683,463	1,644	87,949
Nonlimited miscellaneous deductions	284,601	13,161,693	283,157	12,439,775	1,444	721,918
Excess of exemptions and deductions over adjusted gross income	6,577	1,951,791	4,460	1,591,886	2,117	359,905
Taxable income	6,217,213	2,874,563,698	6,215,423	2,874,448,522	1,790	115,176
Tax at regular rates	6,211,997	776,280,377	6,211,558	776,272,910	439	7,466
Alternative minimum tax (Form 6251)	3,510,390	26,697,075	3,510,236	26,694,921	155	2,154
Income tax before credits	6,218,164	803,255,663	6,217,674	803,246,042	490	9,621
Tax credits, total	2,932,143	23,496,175	2,931,661	23,486,525	482	9,650
Child care credit	569,664	321,986	569,625	321,962	38	25
Minimum tax credit	156,459	736,682	156,381	735,550	78	1,132
Foreign tax credit	0	0	0	0	0	0
General business credit	171,595	2,654,989	171,348	2,650,029	247	4,960
Refundable credits used to offset income tax before credits	4,401	23,679	4,401	23,679	0	0
Worldwide total income tax	6,219,886	822,211,499	6,219,886	822,211,499	0	0
Foreign taxes paid [3]	2,213,868	19,981,020	** 2,213,868	** 19,981,020	**	**
Foreign taxes paid on excluded foreign-earned income (Form 1116)	27,219	822,446	27,219	822,446	0	0
Taxable income which would yield:						
Income tax before credits less excess advance PTC repayment [4]	6,218,144	2,657,131,534	6,217,666	2,657,082,938	478	48,596
Income tax after credits [3]	6,217,366	2,647,320,221	** 6,217,366	** 2,647,320,221	**	**
Worldwide total income tax [3]	6,219,888	2,706,019,916	** 6,219,888	** 2,706,019,916	**	**
Reconciliation of adjusted gross income and expanded income:						
<b>Adjusted gross income</b>	<b>6,223,813</b>	<b>3,346,425,711</b>	<b>6,219,886</b>	<b>3,344,958,228</b>	<b>3,927</b>	<b>1,467,483</b>
plus: Total tax preferences excluded from adjusted gross income [2]	1,601,980	39,871,201	1,600,390	39,764,972	1,590	106,229
Social Security benefits (nontaxable)	1,107,557	5,051,558	1,105,903	5,044,017	1,655	7,541
Foreign-earned income exclusion	43,820	4,048,791	43,812	4,048,300	* 8	* 491
minus: Investment interest expense deduction	742,466	12,804,030	741,200	12,581,033	1,266	222,998
Nonlimited miscellaneous deductions	284,601	13,161,693	283,157	12,439,775	1,444	721,918
Unreimbursed employee business expenses	1,159,674	8,470,878	1,159,358	8,467,058	315	3,820
<b>Equals: Expanded income</b>	<b>6,223,647</b>	<b>3,360,960,660</b>	<b>6,219,885</b>	<b>3,360,327,651</b>	<b>3,762</b>	<b>633,009</b>

Footnotes at end of table.

**Table 6. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2014—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)
<b>Expanded Income Concept</b>						
Salaries and wages	5,458,678	1,669,546,672	5,455,674	1,669,156,277	3,004	390,395
Business or profession:						
Net income	1,127,512	115,131,254	1,126,545	115,078,695	968	52,559
Net loss	365,782	8,871,328	365,048	8,763,549	734	107,779
Farm:						
Net income	53,463	5,372,080	53,357	5,366,198	106	5,882
Net loss	106,892	5,241,214	106,661	5,215,301	231	25,912
Partnership and S corporation net income after Section 179 property deduction: [1]						
Net income	1,811,308	583,104,862	1,809,475	582,985,651	1,833	119,211
Net loss	549,072	48,149,772	546,251	47,632,953	2,821	516,819
Sales of capital assets:						
Net gain	3,076,066	587,984,255	3,071,143	587,494,476	4,923	489,779
Net loss	1,198,061	2,988,718	1,194,056	2,977,217	4,004	11,500
Sales of property other than capital assets:						
Net gain	349,615	22,800,469	348,463	22,766,924	1,151	33,545
Net loss	341,501	6,028,117	340,423	5,964,082	1,079	64,035
Taxable interest received	5,136,433	54,919,061	5,127,494	54,712,343	8,938	206,717
Tax-exempt interest	1,676,742	44,083,821	1,668,846	42,198,033	7,896	1,885,788
Dividends	4,339,396	162,096,279	4,330,914	161,490,540	8,482	605,739
Qualified dividends	4,193,820	127,583,687	4,185,744	127,163,833	8,076	419,854
Pensions and annuities in adjusted gross income	1,485,228	80,161,040	1,482,359	80,068,537	2,869	92,503
Rent:						
Net income	746,360	31,055,007	745,261	31,021,007	1,099	34,000
Net loss, total (deductible and nondeductible)	845,150	13,391,329	843,890	13,346,906	1,260	44,423
Nondeductible rental loss	655,444	8,680,102	654,824	8,661,983	621	18,118
Royalty:						
Net income	561,339	25,534,631	559,389	25,520,249	1,950	14,383
Net loss	20,992	209,204	20,913	204,868	79	4,336
Estate or trust:						
Net income	160,513	25,112,395	159,988	25,099,392	525	13,002
Net loss	17,874	1,616,976	17,718	1,581,581	157	35,394
State income tax refunds	2,235,499	12,703,882	2,233,660	12,679,940	1,839	23,942
Alimony received	11,677	1,779,269	11,666	1,778,959	10	310
Social Security benefits in adjusted gross income	1,197,545	31,024,564	1,192,018	30,892,054	5,528	132,510
Social Security benefits (nontaxable)	1,197,710	5,478,687	1,192,180	5,455,272	5,530	23,415
Unemployment compensation	134,082	759,596	134,038	759,313	45	284
Other income	810,525	22,191,578	808,739	22,156,916	1,787	34,662
Other loss	66,336	2,035,483	66,020	2,021,922	316	13,560
Foreign-earned income exclusion	75,714	7,444,772	75,057	7,323,758	657	121,014
<b>Total income</b>	<b>6,279,427</b>	<b>3,401,520,346</b>	<b>6,269,736</b>	<b>3,400,245,660</b>	<b>9,691</b>	<b>1,274,686</b>
Statutory adjustments, total	2,500,213	54,307,389	2,497,672	54,274,426	2,541	32,964
Payments to Individual Retirement Arrangements	156,193	1,465,272	156,052	1,464,054	141	1,218
Payments to self-employed retirement (Keogh) plans	473,657	16,136,392	473,530	16,132,286	127	4,106
Moving expenses adjustment	76,755	527,382	76,734	527,154	21	228
<b>Adjusted gross income</b>	<b>6,279,427</b>	<b>3,347,212,957</b>	<b>6,269,736</b>	<b>3,345,971,235</b>	<b>9,691</b>	<b>1,241,722</b>
Investment interest expense deduction	748,178	11,434,336	745,928	11,363,527	2,251	70,810
Total tax preferences excluded from adjusted gross income [2]	1,695,519	47,099,422	1,687,610	45,213,195	7,909	1,886,227
Total alternative minimum tax preference items (excluding tax-exempt interest from private activity bonds)	35,394	3,096,170	35,328	3,093,885	65	2,285
Passive activity loss (alternative minimum tax adjustment)	731,289	1,403,349	729,613	1,403,618	1,676	-269

Footnotes at end of table.



**Table 6. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits, and Tax, Tax Year 2014—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)
<b>Expanded income</b>	<b>6,279,428</b>	<b>3,380,889,886</b>	<b>6,269,736</b>	<b>3,377,717,162</b>	<b>9,692</b>	<b>3,172,723</b>
Exemption amount	4,605,723	46,050,996	4,596,152	45,965,648	9,571	85,348
Itemized deductions:						
Total per adjusted gross income concept	5,798,230	416,712,972	5,789,534	415,328,830	8,696	1,384,142
Total per expanded income concept	5,797,504	438,131,661	5,788,808	436,828,593	8,696	1,303,067
Charitable contributions deduction	5,365,275	107,696,799	5,357,653	107,445,257	7,622	251,543
Interest paid deduction:						
Total per adjusted gross income concept	4,634,398	74,779,757	4,630,076	74,636,728	4,323	143,029
Total per expanded income concept	4,400,367	63,345,420	4,397,342	63,273,201	3,025	72,220
Total home mortgage interest	4,389,748	63,119,381	4,386,750	63,047,673	2,999	71,708
Medical and dental expense deduction	181,328	5,012,648	175,910	4,640,084	5,418	372,563
Net casualty or theft loss deduction	3,528	282,409	3,292	178,088	236	104,321
Taxes paid deduction	5,791,561	242,697,805	5,782,941	242,368,730	8,620	329,075
Net limited miscellaneous deductions per adjusted gross income concept	985,102	23,270,153	979,559	23,094,048	5,543	176,105
Nonlimited miscellaneous deductions	258,911	7,599,446	258,132	7,589,100	778	10,346
Excess of exemptions and deductions over adjusted gross income	9,391	1,546,023	4,330	1,102,193	5,061	443,830
Taxable income	6,270,036	2,880,224,504	6,265,406	2,880,020,049	4,629	204,455
Tax at regular rates	6,261,926	777,220,388	6,261,300	777,212,782	626	7,606
Alternative minimum tax (Form 6251)	3,487,591	26,704,011	3,487,407	26,701,874	184	2,136
Income tax before credits	6,268,661	804,202,671	6,267,957	804,192,927	704	9,745
Tax credits, total	2,986,144	23,938,874	2,985,440	23,929,116	704	9,759
Child care credit	560,703	316,302	560,659	316,274	44	28
Minimum tax credit	157,339	735,294	157,215	734,116	125	1,178
Foreign tax credit	0	0	0	0	0	0
General business credit	173,236	2,653,598	172,983	2,648,916	253	4,682
Refundable tax credits used to offset income tax before credits	5,513	24,616	** 5,513	** 24,616	**	**
Worldwide total income tax	6,269,736	823,552,673	6,269,736	823,552,673	0	0
Foreign taxes paid [3]	2,281,767	20,826,076	2,281,695	20,826,067	72	9
Foreign taxes paid on excluded foreign-earned income (Form 1116)	41,705	1,210,862	41,705	1,210,862	0	0
Taxable income which would yield:						
Income tax before credits	6,268,657	2,661,959,773	6,267,957	2,661,909,204	701	50,569
Income tax after credits [3]	6,267,906	2,653,509,570	6,267,834	2,653,509,481	72	88
Worldwide total income tax [3]	6,269,808	2,712,171,562	6,269,736	2,712,171,474	72	88
Reconciliation of adjusted gross income and expanded income:						
<b>Adjusted gross income</b>	<b>6,279,427</b>	<b>3,347,212,957</b>	<b>6,269,736</b>	<b>3,345,971,235</b>	<b>9,691</b>	<b>1,241,722</b>
plus: Total tax preferences excluded from adjusted gross income [2]	1,695,519	47,099,422	1,687,610	45,213,195	7,909	1,886,227
Social Security benefits (nontaxable)	1,197,710	5,478,687	1,192,180	5,455,272	5,530	23,415
Foreign-earned income exclusion	75,714	7,444,772	75,057	7,323,758	657	121,014
minus: Investment interest expense deduction	748,178	11,434,336	745,928	11,363,527	2,251	70,810
Nonlimited miscellaneous deductions	258,911	7,599,446	258,132	7,589,100	778	10,346
Unreimbursed employee business expenses	1,091,080	7,295,142	1,090,578	7,292,089	502	3,054
<b>Equals: Expanded income</b>	<b>6,279,428</b>	<b>3,380,889,886</b>	<b>6,269,736</b>	<b>3,377,717,162</b>	<b>9,692</b>	<b>3,172,723</b>

\* 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.

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

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

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.

**Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2014**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction [3]		Investment interest expense deduction [1,3]		Taxes paid deduction [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>RETURNS WITH U.S. INCOME TAX</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>5,971,780</b>	<b>100.0</b>	<b>762,903</b>	<b>12.8</b>	<b>31,954</b>	<b>0.5</b>	<b>3,987,525</b>	<b>66.8</b>
Interest paid deduction	2,444,004	40.9	0	0.0	3,978	12.4	2,300,335	57.7
Investment interest expense deduction [1]	61,895	1.0	3,128	0.4	0	0.0	45,202	1.1
Taxes paid deduction	1,379,753	23.1	694,248	91.0	18,783	58.8	0	0.0
Charitable contributions deduction	1,283,304	21.5	45,157	5.9	3,665	11.5	1,192,698	29.9
Medical and dental expense deduction	30,371	0.5	** 1,161	** 0.2	79	0.2	17,952	0.5
Net casualty or theft loss deduction	528	[4]	**	**	0	0.0	348	[4]
Total miscellaneous deductions	279,857	4.7	14,064	1.8	2,501	7.8	217,678	5.5
Foreign tax credit	106,645	1.8	778	0.1	797	2.5	75,821	1.9
General business credit	21,632	0.4	918	0.1	** 377	** 1.2	14,445	0.4
Refundable tax credits used to offset income tax before credits	828	[4]	0	0.0	**	**	784	[4]
All other tax credits	56,067	0.9	1,457	0.2	332	1.0	41,271	1.0
Capital gains taxed at 0 percent	67,739	1.1	1,698	0.2	1,137	3.6	24,664	0.6
No second largest item	239,157	4.0	294	[4]	306	1.0	56,327	1.4
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>6,085,488</b>	<b>100.0</b>	<b>758,422</b>	<b>12.5</b>	<b>0</b>	<b>0.0</b>	<b>3,858,228</b>	<b>63.4</b>
Interest paid deduction	2,425,047	39.8	0	0.0	0	0.0	2,287,068	59.3
Tax-exempt interest [2]	250,309	4.1	1,908	0.3	0	0.0	163,622	4.2
Taxes paid deduction	1,407,242	23.1	700,833	92.4	0	0.0	0	0.0
Charitable contributions deduction	1,133,080	18.6	46,785	6.2	0	0.0	1,031,534	26.7
Medical and dental expense deduction	29,028	0.5	** 1,161	** 0.2	0	0.0	14,710	0.4
Net casualty or theft loss deduction	540	[4]	**	**	0	0.0	348	[4]
Total miscellaneous deductions	127,985	2.1	1,760	0.2	0	0.0	80,107	2.1
Foreign tax credit	136,081	2.2	629	0.1	0	0.0	52,566	1.4
General business credit	21,773	0.4	929	0.1	0	0.0	13,827	0.4
Refundable tax credits used to offset income tax before credits	633	[4]	0	0.0	0	0.0	590	[4]
All other tax credits	55,252	0.9	1,847	0.2	0	0.0	39,006	1.0
Foreign-earned income exclusion [2]	31,740	0.5	0	0.0	0	0.0	238	[4]
AMT tax preference [2]	3,967	0.1	186	[4]	0	0.0	2,319	0.1
Nontaxable Social Security benefits [2]	171,532	2.8	628	0.1	0	0.0	96,331	2.5
Capital gains taxed at 0 percent	75,765	1.2	1,463	0.2	0	0.0	21,190	0.5
No second largest item	215,513	3.5	293	[4]	0	0.0	54,771	1.4

Footnotes at end of table.

**Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2014—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction [3]		Net casualty or theft loss deduction		Total miscellaneous deductions [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>RETURNS WITH U.S. INCOME TAX</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>495,761</b>	<b>8.3</b>	<b>47,350</b>	<b>0.8</b>	<b>1,313</b>	<b>[4]</b>	<b>186,943</b>	<b>3.1</b>
Interest paid deduction	65,994	13.3	3,546	7.5	13	1.0	24,071	12.9
Investment interest expense deduction [1]	5,287	1.1	508	1.1	4	0.3	3,099	1.7
Taxes paid deduction	369,627	74.6	25,362	53.6	1,060	80.7	123,960	66.3
Charitable contributions deduction	0	0.0	4,868	10.3	50	3.8	17,373	9.3
Medical and dental expense deduction	** 3,576	** 0.7	0	0.0	**	**	3,101	1.7
Net casualty or theft loss deduction	**	**	0	0.0	0	0.0	137	0.1
Total miscellaneous deductions	22,873	4.6	4,897	10.3	**	**	0	0.0
Foreign tax credit	3,340	0.7	350	0.7	** 6	** 0.5	3,572	1.9
General business credit	2,928	0.6	3	[4]	0	0.0	** 484	** 0.3
Refundable tax credits used to offset income tax before credits	13	[4]	3	[4]	0	0.0	**	**
All other tax credits	3,176	0.6	320	0.7	**	**	636	0.3
Capital gains taxed at 0 percent	** 18,948	** 3.8	** 7,494	** 15.8	180	13.7	9,859	5.3
No second largest item	**	**	**	**	0	0.0	652	0.3
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>485,824</b>	<b>8.0</b>	<b>47,763</b>	<b>0.8</b>	<b>1,018</b>	<b>[4]</b>	<b>52,797</b>	<b>0.9</b>
Interest paid deduction	67,841	14.0	4,135	8.7	13	1.3	3,335	6.3
Tax-exempt interest [2]	20,373	4.2	4,673	9.8	11	1.1	8,405	15.9
Taxes paid deduction	353,609	72.8	20,959	43.9	757	74.4	27,835	52.7
Charitable contributions deduction	0	0.0	5,809	12.2	** 50	** 4.9	4,862	9.2
Medical and dental expense deduction	2,971	0.6	0	0.0	**	**	2,074	3.9
Net casualty or theft loss deduction	41	[4]	9	[4]	0	0.0	137	0.3
Total miscellaneous deductions	10,158	2.1	2,803	5.9	**	**	0	0.0
Foreign tax credit	2,665	0.5	349	0.7	0	0.0	1,490	2.8
General business credit	2,786	0.6	** 6	** [4]	0	0.0	** 57	** 0.1
Refundable tax credits used to offset income tax before credits	10	[4]	**	**	0	0.0	**	**
All other tax credits	3,272	0.7	** 180	** 0.4	** 4	** 0.4	160	0.3
Foreign-earned income exclusion [2]	17	[4]	**	**	**	**	11	[4]
AMT tax preference [2]	149	[4]	0	0.0	0	0.0	6	[4]
Nontaxable Social Security benefits [2]	5,714	1.2	1,956	4.1	**	**	**	**
Capital gains taxed at 0 percent	16,111	3.3	** 6,884	** 14.4	** 182	** 17.9	** 4,425	** 8.4
No second largest item	107	[4]	**	**	0	0.0	**	**

Footnotes at end of table.

**Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2014—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)
<b>RETURNS WITH U.S. INCOME TAX</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>226,214</b>	<b>3.8</b>	<b>37,499</b>	<b>0.6</b>	<b>318</b>	<b>[4]</b>	<b>67,144</b>	<b>1.1</b>
Interest paid deduction	18,466	8.2	5,577	14.9	0	0.0	10,475	15.6
Investment interest expense deduction [1]	1,913	0.8	945	2.5	0	0.0	313	0.5
Taxes paid deduction	51,197	22.6	19,018	50.7	3	1.0	23,528	35.0
Charitable contributions deduction	4,620	2.0	1,835	4.9	15	4.6	2,254	3.4
Medical and dental expense deduction	308	0.1	**	**	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	3,837	1.7	**	**	**	**	952	1.4
Foreign tax credit	0	0.0	** 3,209	** 8.6	** 253	** 79.7	6,356	9.5
General business credit	923	0.4	0	0.0	0	0.0	407	0.6
Refundable tax credits used to offset income tax before credits	22	[4]	0	0.0	0	0.0	3	[4]
All other tax credits	6,053	2.7	**	**	0	0.0	0	0.0
Capital gains taxed at 0 percent	2,715	1.2	718	1.9	0	0.0	486	0.7
No second largest item	136,160	60.2	6,197	16.5	47	14.7	22,371	33.3
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>158,800</b>	<b>2.6</b>	<b>35,643</b>	<b>0.6</b>	<b>275</b>	<b>[4]</b>	<b>63,095</b>	<b>1.0</b>
Interest paid deduction	12,197	7.7	5,538	15.5	0	0.0	10,448	16.6
Tax-exempt interest [2]	11,369	7.2	2,263	6.3	148	53.6	2,244	3.6
Taxes paid deduction	40,145	25.3	18,279	51.3	3	1.1	21,439	34.0
Charitable contributions deduction	3,285	2.1	** 1,865	** 5.2	15	5.4	1,703	2.7
Medical and dental expense deduction	150	0.1	**	**	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	1,141	0.7	**	**	0	0.0	542	0.9
Foreign tax credit	0	0.0	568	1.6	110	39.9	4,482	7.1
General business credit	594	0.4	0	0.0	0	0.0	340	0.5
Refundable tax credits used to offset income tax before credits	15	[4]	0	0.0	0	0.0	3	[4]
All other tax credits	2,987	1.9	529	1.5	0	0.0	0	0.0
Foreign-earned income exclusion [2]	31,463	19.8	0	0.0	0	0.0	0	0.0
AMT tax preference [2]	236	0.1	24	0.1	0	0.0	48	0.1
Nontaxable Social Security benefits [2]	5,344	3.4	1,709	4.8	0	0.0	1,402	2.2
Capital gains taxed at 0 percent	1,817	1.1	364	1.0	0	0.0	476	0.8
No second largest item	48,058	30.3	4,505	12.6	0	0.0	19,967	31.6

Footnotes at end of table.

**Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2014—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)
<b>RETURNS WITH U.S. INCOME TAX</b>										
<b>Returns with adjusted gross income of \$200,000 or more</b>										
<b>Total</b>	<b>126,855</b>	<b>2.1</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
Interest paid deduction	11,550	9.1	0	0.0	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	1,498	1.2	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction	52,968	41.8	0	0.0	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	10,770	8.5	0	0.0	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	4,228	3.3	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	12,539	9.9	0	0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	13,217	10.4	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	1,151	0.9	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	2,292	1.8	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	16,645	13.1	0	0.0	0	0.0	0	0.0	0	0.0
<b>Returns with expanded income of \$200,000 or more</b>										
<b>Total</b>	<b>121,721</b>	<b>2.0</b>	<b>34,567</b>	<b>0.6</b>	<b>293,742</b>	<b>4.8</b>	<b>11,449</b>	<b>0.2</b>	<b>162,144</b>	<b>2.7</b>
Interest paid deduction	10,008	8.2	3,840	11.1	5,743	2.0	1,056	9.2	13,824	8.5
Tax-exempt interest [2]	12,910	10.6	929	2.7	0	0.0	165	1.4	21,290	13.1
Taxes paid deduction	44,506	36.6	4,766	13.8	126,269	43.0	6,755	59.0	41,088	25.3
Charitable contributions deduction	9,594	7.9	814	2.4	26,544	9.0	210	1.8	163	0.1
Medical and dental expense deduction	3,896	3.2	314	0.9	** 3,445	** 1.2	0	0.0	303	0.2
Net casualty or theft loss deduction	0	0.0	0	0.0	**	**	0	0.0	0	0.0
Total miscellaneous deductions	10,370	8.5	4	[4]	20,203	6.9	451	3.9	303	0.2
Foreign tax credit	4,935	4.1	15,171	43.9	32,137	10.9	196	1.7	20,782	12.8
General business credit	846	0.7	3	[4]	1,663	0.6	10	0.1	716	0.4
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	9	[4]	0	0.0	0	0.0
All other tax credits	** 1,591	** 1.3	275	0.8	2,615	0.9	1,250	10.9	1,541	1.0
Foreign-earned income exclusion [2]	**	**	0	0.0	7	[4]	0	0.0	0	0.0
AMT tax preference [2]	470	0.4	0	0.0	384	0.1	0	0.0	146	0.1
Nontaxable Social Security benefits [2]	15,147	12.4	304	0.9	42,485	14.5	198	1.7	0	0.0
Capital gains taxed at 0 percent	0	0.0	1,622	4.7	20,454	7.0	36	0.3	1,059	0.7
No second largest item	7,449	6.1	6,525	18.9	11,781	4.0	1,122	9.8	60,930	37.6

Footnotes at end of table.

**Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2014—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 [3]		Investment interest expense deduction [1, 3]		Taxes paid deduction [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>RETURNS WITHOUT U.S. INCOME TAX</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>10,901</b>	<b>100.0</b>	<b>106</b>	<b>1.0</b>	<b>378</b>	<b>3.5</b>	<b>316</b>	<b>2.9</b>
Interest paid deduction	1,717	15.7	0	0.0	54	14.3	53	16.8
Investment interest expense deduction [1]	225	2.1	4	3.9	0	0.0	40	12.8
Taxes paid deduction	2,138	19.6	47	44.1	117	30.9	0	0.0
Charitable contributions deduction	915	8.4	17	15.7	85	22.5	117	37.2
Medical and dental expense deduction	152	1.4	3	2.9	** 17	** 4.4	12	4.0
Net casualty or theft loss deduction	17	0.2	0	0.0	**	**	0	0.0
Total miscellaneous deductions	522	4.8	7	6.9	60	15.9	47	14.8
Foreign tax credit	57	0.5	0	0.0	10	2.7	5	1.6
General business credit	95	0.9	5	4.9	7	1.9	9	3.0
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	122	1.1	5	4.9	**	**	5	1.6
Capital gains taxed at 0 percent	778	7.1	18	16.7	** 28	** 7.4	** 26	** 8.2
No second largest item	4,165	38.2	0	0.0	**	**	**	**
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>21,052</b>	<b>100.0</b>	<b>120</b>	<b>0.6</b>	<b>0</b>	<b>0.0</b>	<b>420</b>	<b>2.0</b>
Interest paid deduction	1,505	7.1	0	0.0	0	0.0	58	13.9
Tax-exempt interest [2]	1,063	5.0	**	**	0	0.0	105	25.0
Taxes paid deduction	2,966	14.1	** 53	** 44.3	0	0.0	0	0.0
Charitable contributions deduction	1,569	7.5	15	12.2	0	0.0	115	27.5
Medical and dental expense deduction	1,134	5.4	5	4.3	0	0.0	18	4.2
Net casualty or theft loss deduction	33	0.2	**	**	0	0.0	**	**
Total miscellaneous deductions	968	4.6	** 9	** 7.5	0	0.0	** 56	** 13.3
Foreign tax credit	2,149	10.2	0	0.0	0	0.0	5	1.2
General business credit	94	0.4	5	4.3	0	0.0	10	2.5
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	167	0.8	** 9	** 7.5	0	0.0	** 8	** 1.9
Foreign-earned income exclusion [2]	3,699	17.6	**	**	0	0.0	**	**
AMT tax preference [2]	17	0.1	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [2]	573	2.7	**	**	0	0.0	12	3.0
Capital gains taxed at 0 percent	1,627	7.7	23	19.1	0	0.0	31	7.4
No second largest item	3,489	16.6	0	0.0	0	0.0	0	0.0

Footnotes at end of table.



**Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2014—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction [3]		Net casualty or theft loss deduction		Total miscellaneous deductions [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>RETURNS WITHOUT U.S. INCOME TAX</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>787</b>	<b>7.2</b>	<b>713</b>	<b>6.5</b>	<b>219</b>	<b>2.0</b>	<b>1,214</b>	<b>11.1</b>
Interest paid deduction	84	10.7	46	6.4	** 55	** 25.1	205	16.9
Investment interest expense deduction [1]	53	6.7	11	1.6	**	**	27	2.2
Taxes paid deduction	175	22.2	236	33.1	107	48.8	697	57.4
Charitable contributions deduction	0	0.0	112	15.7	** 29	** 13.3	126	10.4
Medical and dental expense deduction	** 52	** 6.6	0	0.0	**	**	31	2.6
Net casualty or theft loss deduction	**	**	3	0.4	0	0.0	0	0.0
Total miscellaneous deductions	103	13.1	** 111	** 15.6	15	6.6	0	0.0
Foreign tax credit	16	2.0	**	**	0	0.0	3	0.3
General business credit	20	2.5	4	0.6	0	0.0	12	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	12	1.6	3	0.4	**	**	11	0.9
Capital gains taxed at 0 percent	** 272	** 34.6	** 186	** 26.1	** 14	** 6.2	36	3.0
No second largest item	**	**	**	**	**	**	64	5.3
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>940</b>	<b>4.5</b>	<b>1,551</b>	<b>7.4</b>	<b>223</b>	<b>1.1</b>	<b>214</b>	<b>1.0</b>
Interest paid deduction	62	6.6	46	3.0	46	20.6	14	6.3
Tax-exempt interest [2]	139	14.8	563	36.3	16	7.0	62	29.1
Taxes paid deduction	194	20.7	264	17.0	100	44.9	55	25.7
Charitable contributions deduction	0	0.0	122	7.8	** 26	** 11.7	39	18.4
Medical and dental expense deduction	64	6.9	0	0.0	**	**	16	7.3
Net casualty or theft loss deduction	3	0.3	**	**	0	0.0	0	0.0
Total miscellaneous deductions	95	10.1	** 183	** 11.8	8	3.7	0	0.0
Foreign tax credit	14	1.4	** 6	** 0.4	0	0.0	** 3	** 1.4
General business credit	20	2.1	**	**	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	15	1.5	** 4	** 0.3	** 7	** 3.1	0	0.0
Foreign-earned income exclusion [2]	3	0.3	**	**	**	**	4	1.9
AMT tax preference [2]	0	0.0	0	0.0	0	0.0	**	**
Nontaxable Social Security benefits [2]	43	4.5	103	6.6	8	3.7	** 5	** 2.3
Capital gains taxed at 0 percent	** 288	** 30.6	** 260	** 16.8	11	5.1	** 16	** 7.5
No second largest item	**	**	**	**	0	0.0	**	**

Footnotes at end of table.

**Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2014—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)
<b>RETURNS WITHOUT U.S. INCOME TAX</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>6,560</b>	<b>60.2</b>	<b>162</b>	<b>1.5</b>	<b>0</b>	<b>0.0</b>	<b>158</b>	<b>1.5</b>
Interest paid deduction	1,131	17.2	22	13.5	0	0.0	** 30	** 19.1
Investment interest expense deduction [1]	56	0.9	7	4.5	0	0.0	**	**
Taxes paid deduction	617	9.4	53	32.7	0	0.0	48	30.3
Charitable contributions deduction	334	5.1	** 24	** 14.7	0	0.0	** 30	** 19.1
Medical and dental expense deduction	14	0.2	**	**	0	0.0	**	**
Net casualty or theft loss deduction	3	[4]	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	156	2.4	3	1.9	0	0.0	** 8	** 5.3
Foreign tax credit	0	0.0	0	0.0	0	0.0	**	**
General business credit	4	0.1	0	0.0	0	0.0	4	2.6
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	46	0.7	8	5.1	0	0.0	0	0.0
Capital gains taxed at 0 percent	138	2.1	** 45	** 27.6	0	0.0	25	15.8
No second largest item	4,062	61.9	**	**	0	0.0	12	7.9
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>8,348</b>	<b>39.7</b>	<b>167</b>	<b>0.8</b>	<b>0</b>	<b>0.0</b>	<b>163</b>	<b>0.8</b>
Interest paid deduction	818	9.8	** 28	** 16.7	0	0.0	** 29	** 17.8
Tax-exempt interest [2]	52	0.6	**	**	0	0.0	**	**
Taxes paid deduction	496	5.9	57	34.1	0	0.0	52	31.8
Charitable contributions deduction	256	3.1	** 25	** 14.9	0	0.0	** 29	** 17.8
Medical and dental expense deduction	10	0.1	**	**	0	0.0	**	**
Net casualty or theft loss deduction	**	**	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	** 33	** 0.4	**	**	0	0.0	3	1.9
Foreign tax credit	0	0.0	0	0.0	0	0.0	** 5	** 3.1
General business credit	4	[4]	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	41	0.5	8	5.0	0	0.0	0	0.0
Foreign-earned income exclusion [2]	3,674	44.0	0	0.0	0	0.0	0	0.0
AMT tax preference [2]	**	**	**	**	0	0.0	**	**
Nontaxable Social Security benefits [2]	** 74	** 0.9	** 3	** 1.8	0	0.0	** 5	** 3.1
Capital gains taxed at 0 percent	120	1.4	** 46	** 27.5	0	0.0	** 40	** 24.5
No second largest item	2,770	33.2	**	**	0	0.0	**	**

Footnotes at end of table.

**Table 7. Individual Income Tax Returns With and Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2014—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)
<b>RETURNS WITHOUT U.S. INCOME TAX</b>										
<b>Returns with adjusted gross income of \$200,000 or more</b>										
<b>Total</b>	<b>287</b>	<b>2.6</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
Interest paid deduction	42	14.5	0	0.0	0	0.0	0	0.0	0	0.0
Investment interest expense deduction [1]	21	7.3	0	0.0	0	0.0	0	0.0	0	0.0
Taxes paid deduction	42	14.5	0	0.0	0	0.0	0	0.0	0	0.0
Charitable contributions deduction	46	15.9	0	0.0	0	0.0	0	0.0	0	0.0
Medical and dental expense deduction	22	7.6	0	0.0	0	0.0	0	0.0	0	0.0
Net casualty or theft loss deduction	7	2.5	0	0.0	0	0.0	0	0.0	0	0.0
Total miscellaneous deductions	16	5.4	0	0.0	0	0.0	0	0.0	0	0.0
Foreign tax credit	19	6.5	0	0.0	0	0.0	0	0.0	0	0.0
General business credit	28	9.8	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	27	9.4	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	19	6.5	0	0.0	0	0.0	0	0.0	0	0.0
<b>Returns with expanded income of \$200,000 or more</b>										
<b>Total</b>	<b>436</b>	<b>2.1</b>	<b>2,905</b>	<b>13.8</b>	<b>5,550</b>	<b>26.4</b>	<b>7</b>	<b>[4]</b>	<b>9</b>	<b>[4]</b>
Interest paid deduction	50	11.5	151	5.2	207	3.7	0	0.0	** 4	** 44.4
Tax-exempt interest [2]	90	20.8	23	0.8	0	0.0	**	**	**	**
Taxes paid deduction	52	11.9	93	3.2	1,552	28.0	** 3	** 42.9	0	0.0
Charitable contributions deduction	70	16.0	14	0.5	862	15.5	0	0.0	** 5	** 55.6
Medical and dental expense deduction	34	7.9	18	0.6	963	17.4	0	0.0	**	**
Net casualty or theft loss deduction	12	2.9	**	**	10	0.2	0	0.0	0	0.0
Total miscellaneous deductions	21	4.8	** 11	** 0.4	553	10.0	0	0.0	**	**
Foreign tax credit	21	4.8	** 2,098	** 72.2	8	0.1	0	0.0	0	0.0
General business credit	30	6.9	**	**	12	0.2	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	** 27	** 6.2	12	0.4	48	0.9	** 4	** 57.1	0	0.0
Foreign-earned income exclusion [2]	**	**	0	0.0	5	0.1	0	0.0	0	0.0
AMT tax preference [2]	3	0.7	0	0.0	7	0.1	0	0.0	0	0.0
Nontaxable Social Security benefits [2]	12	2.9	5	0.2	306	5.5	0	0.0	0	0.0
Capital gains taxed at 0 percent	0	0.0	53	1.8	755	13.6	**	**	**	**
No second largest item	12	2.9	427	14.7	262	4.7	**	**	0	0.0

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

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

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

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

[4] Less than 0.05 percent.

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

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.

**Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2014**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Total		Item with the largest tax effect					
			Interest paid deduction [3]		Investment interest expense deduction [1,3]		Taxes paid deduction [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>RETURNS WITH WORLDWIDE INCOME TAX</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>5,836,307</b>	<b>100.0</b>	<b>780,276</b>	<b>13.4</b>	<b>33,952</b>	<b>0.6</b>	<b>4,039,362</b>	<b>69.2</b>
Interest paid deduction	2,458,920	42.1	0	0.0	4,225	12.4	2,331,043	57.7
Investment interest expense deduction [1]	65,251	1.1	3,644	0.5	0	0.0	48,877	1.2
Taxes paid deduction	1,360,918	23.3	709,510	90.9	20,525	60.5	0	0.0
Charitable contributions deduction	1,336,851	22.9	46,527	6.0	4,013	11.8	1,247,253	30.9
Medical and dental expense deduction	31,719	0.5	1,303	0.2	79	0.2	19,418	0.5
Net casualty or theft loss deduction	531	[4]	**	**	0	0.0	348	[4]
Total miscellaneous deductions	288,152	4.9	** 14,354	** 1.8	2,793	8.2	227,932	5.6
General business credit	22,157	0.4	918	0.1	405	1.2	15,531	0.4
Refundable tax credits used to offset income tax before credits	819	[4]	0	0.0	4	[4]	785	[4]
All other tax credits	51,762	0.9	1,509	0.2	361	1.1	42,372	1.0
Capital gains taxed at 0 percent	67,920	1.2	1,709	0.2	1,170	3.4	25,870	0.6
No second largest item	151,308	2.6	802	0.1	378	1.1	79,931	2.0
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>6,045,191</b>	<b>100.0</b>	<b>770,615</b>	<b>12.7</b>	<b>0</b>	<b>0.0</b>	<b>3,898,897</b>	<b>64.5</b>
Interest paid deduction	2,448,010	40.5	0	0.0	0	0.0	2,312,805	59.3
Tax-exempt interest [2]	257,101	4.3	1,916	0.2	0	0.0	170,210	4.4
Taxes paid deduction	1,400,140	23.2	711,890	92.4	0	0.0	0	0.0
Charitable contributions deduction	1,164,383	19.3	47,732	6.2	0	0.0	1,062,526	27.3
Medical and dental expense deduction	30,295	0.5	** 1,302	** 0.2	0	0.0	15,432	0.4
Net casualty or theft loss deduction	545	[4]	**	**	0	0.0	348	[4]
Total miscellaneous deductions	133,183	2.2	1,785	0.2	0	0.0	85,024	2.2
General business credit	22,606	0.4	930	0.1	0	0.0	14,263	0.4
Refundable tax credits used to offset income tax before credits	628	[4]	0	0.0	0	0.0	590	[4]
All other tax credits	55,976	0.9	1,857	0.2	0	0.0	39,896	1.0
Foreign-earned income exclusion [2]	1,655	[4]	324	[4]	0	0.0	909	[4]
AMT tax preference [2]	3,822	0.1	186	[4]	0	0.0	2,375	0.1
Nontaxable Social Security benefits [2]	172,889	2.9	**	**	0	0.0	99,403	2.5
Capital gains taxed at 0 percent	78,382	1.3	** 2,104	** 0.3	0	0.0	21,960	0.6
No second largest item	275,575	4.6	589	0.1	0	0.0	73,155	1.9

Footnotes at end of table.

**Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2014—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction [3]		Net casualty or theft loss deduction		Total miscellaneous deductions [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>RETURNS WITH WORLDWIDE INCOME TAX</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>500,815</b>	<b>8.6</b>	<b>47,700</b>	<b>0.8</b>	<b>1,319</b>	<b>[4]</b>	<b>190,950</b>	<b>3.3</b>
Interest paid deduction	66,493	13.3	3,550	7.4	15	1.1	24,305	12.7
Investment interest expense deduction [1]	5,582	1.1	508	1.1	4	0.3	3,504	1.8
Taxes paid deduction	375,588	75.0	25,571	53.6	1,062	80.5	128,878	67.5
Charitable contributions deduction	0	0.0	4,873	10.2	** 53	** 4.0	18,429	9.7
Medical and dental expense deduction	3,545	0.7	0	0.0	**	**	3,124	1.6
Net casualty or theft loss deduction	41	[4]	**	**	0	0.0	137	0.1
Total miscellaneous deductions	23,723	4.7	** 4,913	** 10.3	**	**	0	0.0
General business credit	3,017	0.6	5	[4]	0	0.0	637	0.3
Refundable tax credits used to offset income tax before credits	13	[4]	3	[4]	0	0.0	3	[4]
All other tax credits	3,197	0.6	321	0.7	3	0.2	663	0.3
Capital gains taxed at 0 percent	19,211	3.8	7,953	16.7	183	13.9	10,591	5.5
No second largest item	405	0.1	3	[4]	0	0.0	678	0.4
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>489,485</b>	<b>8.1</b>	<b>47,965</b>	<b>0.8</b>	<b>1,022</b>	<b>[4]</b>	<b>53,978</b>	<b>0.9</b>
Interest paid deduction	68,095	13.9	4,138	8.6	13	1.3	3,419	6.3
Tax-exempt interest [2]	20,702	4.2	4,683	9.8	11	1.1	8,853	16.4
Taxes paid deduction	357,804	73.1	21,009	43.8	758	74.2	29,006	53.7
Charitable contributions deduction	0	0.0	5,814	12.1	** 50	** 4.9	5,223	9.7
Medical and dental expense deduction	2,971	0.6	0	0.0	**	**	2,096	3.9
Net casualty or theft loss deduction	41	[4]	9	[4]	0	0.0	137	0.3
Total miscellaneous deductions	10,712	2.2	2,808	5.9	**	**	0	0.0
General business credit	2,866	0.6	5	[4]	0	0.0	** 197	** 0.4
Refundable tax credits used to offset income tax before credits	10	[4]	3	[4]	0	0.0	**	**
All other tax credits	3,286	0.7	** 181	** 0.4	** 4	** 0.4	162	0.3
Foreign-earned income exclusion [2]	98	[4]	**	**	**	**	77	0.1
AMT tax preference [2]	154	[4]	0	0.0	0	0.0	**	**
Nontaxable Social Security benefits [2]	5,744	1.2	1,962	4.1	**	**	** 327	** 0.6
Capital gains taxed at 0 percent	16,417	3.4	** 7,352	** 15.3	** 185	** 18.1	** 4,481	** 8.3
No second largest item	583	0.1	**	**	0	0.0	**	**

Footnotes at end of table.



**Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2014—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)
<b>RETURNS WITH WORLDWIDE INCOME TAX</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>38,469</b>	<b>0.7</b>	<b>339</b>	<b>[4]</b>	<b>73,288</b>	<b>1.3</b>	<b>129,837</b>	<b>2.2</b>
Interest paid deduction	5,742	14.9	137	40.5	10,875	14.8	12,533	9.7
Investment interest expense deduction [1]	996	2.6	11	3.3	524	0.7	1,601	1.2
Taxes paid deduction	19,523	50.8	15	4.5	24,191	33.0	56,056	43.2
Charitable contributions deduction	** 1,921	** 5.0	** 19	** 5.6	2,277	3.1	11,500	8.9
Medical and dental expense deduction	**	**	0	0.0	0	0.0	4,240	3.3
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	**	**
Total miscellaneous deductions	531	1.4	**	**	956	1.3	** 12,948	** 10.0
General business credit	0	0.0	0	0.0	477	0.7	1,166	0.9
Refundable tax credits used to offset income tax before credits	7	[4]	0	0.0	3	[4]	0	0.0
All other tax credits	682	1.8	0	0.0	0	0.0	2,655	2.0
Capital gains taxed at 0 percent	732	1.9	0	0.0	501	0.7	0	0.0
No second largest item	8,333	21.7	156	46.0	33,484	45.7	27,137	20.9
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>36,291</b>	<b>0.6</b>	<b>291</b>	<b>[4]</b>	<b>66,175</b>	<b>1.1</b>	<b>123,844</b>	<b>2.0</b>
Interest paid deduction	5,601	15.4	0	0.0	10,519	15.9	10,287	8.3
Tax-exempt interest [2]	2,447	6.7	157	54.1	3,192	4.8	14,127	11.4
Taxes paid deduction	18,612	51.3	7	2.5	21,666	32.7	46,401	37.5
Charitable contributions deduction	** 1,793	** 4.9	** 19	** 6.5	1,719	2.6	10,012	8.1
Medical and dental expense deduction	**	**	0	0.0	0	0.0	** 3,910	** 3.2
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	**	**
Total miscellaneous deductions	149	0.4	**	**	549	0.8	10,632	8.6
General business credit	0	0.0	0	0.0	** 350	** 0.5	859	0.7
Refundable tax credits used to offset income tax before credits	0	0.0	0	0.0	**	**	0	0.0
All other tax credits	544	1.5	0	0.0	0	0.0	1,628	1.3
Foreign-earned income exclusion [2]	0	0.0	0	0.0	46	0.1	84	0.1
AMT tax preference [2]	26	0.1	0	0.0	52	0.1	470	0.4
Nontaxable Social Security benefits [2]	1,729	4.8	99	34.1	1,444	2.2	15,733	12.7
Capital gains taxed at 0 percent	378	1.0	0	0.0	492	0.7	0	0.0
No second largest item	5,012	13.8	8	2.8	26,147	39.5	9,701	7.8

Footnotes at end of table.

**Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2014—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)
<b>RETURNS WITH WORLDWIDE INCOME TAX</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
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
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>71,970</b>	<b>1.2</b>	<b>305,411</b>	<b>5.1</b>	<b>11,688</b>	<b>0.2</b>	<b>167,560</b>	<b>2.8</b>
Interest paid deduction	10,375	14.4	7,497	2.5	1,057	9.0	14,204	8.5
Tax-exempt interest [2]	4,623	6.4	0	0.0	314	2.7	25,865	15.4
Taxes paid deduction	12,462	17.3	131,089	42.9	6,773	57.9	42,662	25.5
Charitable contributions deduction	1,995	2.8	27,119	8.9	211	1.8	185	0.1
Medical and dental expense deduction	672	0.9	3,601	1.2	0	0.0	304	0.2
Net casualty or theft loss deduction	3	[4]	3	[4]	0	0.0	0	0.0
Total miscellaneous deductions	136	0.2	20,611	6.7	461	3.9	312	0.2
General business credit	342	0.5	2,021	0.7	10	0.1	767	0.5
Refundable tax credits used to offset income tax before credits	0	0.0	20	[4]	0	0.0	0	0.0
All other tax credits	1,750	2.4	3,404	1.1	1,251	10.7	** 2,016	** 1.2
Foreign-earned income exclusion [2]	0	0.0	73	[4]	40	0.3	**	**
AMT tax preference [2]	**	**	404	0.1	0	0.0	148	0.1
Nontaxable Social Security benefits [2]	** 939	** 1.3	44,685	14.6	199	1.7	0	0.0
Capital gains taxed at 0 percent	3,874	5.4	20,737	6.8	38	0.3	1,060	0.6
No second largest item	34,799	48.4	44,147	14.5	1,334	11.4	80,036	47.8

Footnotes at end of table.

**Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2014—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 [3]		Investment interest expense deduction [1,3]		Taxes paid deduction [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>RETURNS WITHOUT WORLDWIDE INCOME TAX</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>3,924</b>	<b>100.0</b>	<b>102</b>	<b>2.6</b>	<b>349</b>	<b>8.9</b>	<b>293</b>	<b>7.5</b>
Interest paid deduction	558	14.2	0	0.0	51	14.6	49	16.7
Investment interest expense deduction [1]	158	4.0	3	3.1	0	0.0	39	13.4
Taxes paid deduction	1,451	37.0	46	44.9	111	31.7	0	0.0
Charitable contributions deduction	546	13.9	17	16.3	83	23.7	115	39.4
Medical and dental expense deduction	127	3.2	3	3.1	16	4.5	12	4.3
Net casualty or theft loss deduction	10	0.3	0	0.0	**	**	0	0.0
Total miscellaneous deductions	349	8.9	7	7.1	** 63	** 18.0	47	15.9
General business credit	70	1.8	5	5.1	**	**	9	3.2
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	40	1.0	3	3.1	**	**	**	**
Capital gains taxed at 0 percent	512	13.0	18	17.3	** 26	** 7.4	** 21	** 7.2
No second largest item	103	2.6	0	0.0	**	**	**	**
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>9,692</b>	<b>100.0</b>	<b>113</b>	<b>1.2</b>	<b>0</b>	<b>0.0</b>	<b>393</b>	<b>4.1</b>
Interest paid deduction	621	6.4	0	0.0	0	0.0	54	13.8
Tax-exempt interest [2]	930	9.6	**	**	0	0.0	100	25.4
Taxes paid deduction	2,365	24.4	** 51	** 45.0	0	0.0	0	0.0
Charitable contributions deduction	1,229	12.7	15	12.8	0	0.0	113	28.8
Medical and dental expense deduction	1,094	11.3	5	4.6	0	0.0	18	4.5
Net casualty or theft loss deduction	29	0.3	**	**	0	0.0	**	**
Total miscellaneous deductions	917	9.5	** 9	** 7.9	0	0.0	** 56	** 14.3
General business credit	63	0.7	4	3.7	0	0.0	10	2.6
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	74	0.8	** 5	** 4.4	0	0.0	** 6	** 1.5
Foreign-earned income exclusion [2]	20	0.2	**	**	0	0.0	**	**
AMT tax preference [2]	12	0.1	0	0.0	0	0.0	0	0.0
Nontaxable Social Security benefits [2]	497	5.1	**	**	0	0.0	12	3.2
Capital gains taxed at 0 percent	1,183	12.2	** 24	** 21.2	0	0.0	23	5.8
No second largest item	658	6.8	0	0.0	0	0.0	0	0.0

Footnotes at end of table.

**Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2014—Continued**

[All figures are estimates based on samples]

Tax status, income concept, and item with the second largest tax effect	Item with the largest tax effect—continued							
	Charitable contributions deduction		Medical and dental expense deduction [3]		Net casualty or theft loss deduction		Total miscellaneous deductions [3]	
	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total	Number of returns	Percentage of total
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
<b>RETURNS WITHOUT WORLDWIDE INCOME TAX</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>687</b>	<b>17.5</b>	<b>685</b>	<b>17.5</b>	<b>216</b>	<b>5.5</b>	<b>1,200</b>	<b>30.6</b>
Interest paid deduction	84	12.3	46	6.7	** 55	** 25.4	205	17.1
Investment interest expense deduction [1]	51	7.4	11	1.7	**	**	27	2.2
Taxes paid deduction	170	24.8	234	34.1	107	49.5	695	57.9
Charitable contributions deduction	0	0.0	112	16.4	** 29	** 13.4	125	10.4
Medical and dental expense deduction	49	7.1	0	0.0	**	**	31	2.6
Net casualty or theft loss deduction	**	**	**	**	0	0.0	0	0.0
Total miscellaneous deductions	** 102	** 14.8	** 112	** 16.3	15	6.7	0	0.0
General business credit	14	2.0	**	**	0	0.0	11	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	6	0.9	3	0.5	**	**	11	0.9
Capital gains taxed at 0 percent	** 211	** 30.7	** 166	** 24.2	** 10	** 4.6	30	2.5
No second largest item	**	**	**	**	**	**	64	5.4
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>819</b>	<b>8.5</b>	<b>1,509</b>	<b>15.6</b>	<b>219</b>	<b>2.3</b>	<b>206</b>	<b>2.1</b>
Interest paid deduction	61	7.5	46	3.0	46	20.9	14	6.6
Tax-exempt interest [2]	126	15.4	552	36.6	16	7.1	60	29.3
Taxes paid deduction	187	22.8	263	17.4	100	45.5	54	26.2
Charitable contributions deduction	0	0.0	122	8.1	** 34	** 15.5	39	19.2
Medical and dental expense deduction	64	7.9	0	0.0	**	**	16	7.6
Net casualty or theft loss deduction	3	0.4	**	**	0	0.0	0	0.0
Total miscellaneous deductions	94	11.4	** 182	** 12.1	**	**	0	0.0
General business credit	12	1.5	**	**	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	8	1.0	**	**	**	**	0	0.0
Foreign-earned income exclusion [2]	0	0.0	** 6	** 0.4	** 7	** 3.2	** 3	** 1.5
AMT tax preference [2]	0	0.0	0	0.0	0	0.0	**	**
Nontaxable Social Security benefits [2]	43	5.2	103	6.8	8	3.8	**	**
Capital gains taxed at 0 percent	** 220	** 26.9	** 235	** 15.6	8	3.8	** 20	** 9.7
No second largest item	**	**	**	**	0	0.0	**	**

Footnotes at end of table.

**Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2014—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)
<b>RETURNS WITHOUT WORLDWIDE INCOME TAX</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>119</b>	<b>3.0</b>	<b>0</b>	<b>0.0</b>	<b>113</b>	<b>2.9</b>	<b>158</b>	<b>4.0</b>
Interest paid deduction	20	16.5	0	0.0	** 26	** 22.9	28	17.8
Investment interest expense deduction [1]	6	5.2	0	0.0	**	**	15	9.2
Taxes paid deduction	36	30.4	0	0.0	28	24.8	23	14.5
Charitable contributions deduction	** 19	** 15.9	0	0.0	** 32	** 28.2	25	15.8
Medical and dental expense deduction	0	0.0	0	0.0	**	**	12	7.9
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	5	3.3
Total miscellaneous deductions	**	**	0	0.0	**	**	9	5.9
General business credit	0	0.0	0	0.0	4	3.7	18	11.2
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	7	6.1	0	0.0	0	0.0	4	2.6
Capital gains taxed at 0 percent	** 31	** 26.0	0	0.0	10	9.2	0	0.0
No second largest item	**	**	0	0.0	12	11.0	19	11.9
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>118</b>	<b>1.2</b>	<b>0</b>	<b>0.0</b>	<b>110</b>	<b>1.1</b>	<b>249</b>	<b>2.6</b>
Interest paid deduction	** 21	** 17.7	0	0.0	24	21.7	35	14.2
Tax-exempt interest [2]	**	**	0	0.0	0	0.0	49	19.6
Taxes paid deduction	39	33.3	0	0.0	30	27.4	32	12.9
Charitable contributions deduction	** 18	** 15.2	0	0.0	** 27	** 24.5	37	15.0
Medical and dental expense deduction	0	0.0	0	0.0	**	**	23	9.2
Net casualty or theft loss deduction	0	0.0	0	0.0	0	0.0	10	4.2
Total miscellaneous deductions	**	**	0	0.0	**	**	11	4.6
General business credit	0	0.0	0	0.0	4	3.8	18	7.1
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	7	6.1	0	0.0	0	0.0	** 5	** 2.0
Foreign-earned income exclusion [2]	0	0.0	0	0.0	0	0.0	**	**
AMT tax preference [2]	0	0.0	0	0.0	**	**	**	**
Nontaxable Social Security benefits [2]	**	**	0	0.0	**	**	** 16	** 6.4
Capital gains taxed at 0 percent	** 33	** 27.9	0	0.0	** 25	** 22.7	0	0.0
No second largest item	**	**	0	0.0	0	0.0	12	5.0

Footnotes at end of table.



**Table 8. Individual Income Tax Returns With and Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number and Percentage of Returns Classified by Item With the Largest Tax Effect and by Item With the Second Largest Tax Effect, Tax Year 2014—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)
<b>RETURNS WITHOUT WORLDWIDE INCOME TAX</b>								
<b>Returns with adjusted gross income of \$200,000 or more</b>								
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>
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
<b>Returns with expanded income of \$200,000 or more</b>								
<b>Total</b>	<b>638</b>	<b>6.6</b>	<b>5,303</b>	<b>54.7</b>	<b>5</b>	<b>0.1</b>	<b>9</b>	<b>0.1</b>
Interest paid deduction	114	17.9	205	3.9	0	0.0	** 4	** 44.4
Tax-exempt interest [2]	20	3.1	0	0.0	**	**	**	**
Taxes paid deduction	85	13.4	1,524	28.7	** 5	** 100.0	0	0.0
Charitable contributions deduction	6	1.0	829	15.6	0	0.0	** 5	** 55.6
Medical and dental expense deduction	14	2.1	950	17.9	0	0.0	**	**
Net casualty or theft loss deduction	0	0.0	10	0.2	0	0.0	0	0.0
Total miscellaneous deductions	** 10	** 1.6	** 559	** 10.5	0	0.0	**	**
General business credit	**	**	**	**	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	7	1.1	34	0.6	**	**	0	0.0
Foreign-earned income exclusion [2]	0	0.0	5	0.1	0	0.0	0	0.0
AMT tax preference [2]	0	0.0	7	0.1	0	0.0	0	0.0
Nontaxable Social Security benefits [2]	**	**	306	5.8	0	0.0	0	0.0
Capital gains taxed at 0 percent	** 15	** 2.4	610	11.5	0	0.0	**	**
No second largest item	366	57.4	262	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] For taxable returns only, this does not include any possible effect on AMT.

[4] Less than 0.05 percent.

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

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.

**Table 9. Individual Income Tax Returns Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, by Percentage of Income Reduced, Tax Year 2014**

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentage of income			
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Adjusted gross income concept</b>						
Total itemized deductions	10,905	4,243	1,457	805	250	150
Interest paid deduction:						
Total	10,905	6,107	3,199	732	263	114
Investment interest expense deduction per income concept	10,905	9,217	1,038	153	84	56
Taxes paid deduction	10,905	4,702	4,352	1,003	374	189
Charitable contributions deduction	10,905	6,055	3,191	404	191	241
Medical and dental expense deduction	10,905	9,580	393	90	84	72
Net casualty or theft loss deduction	10,905	10,673	**	** 9	3	** 5
Net limited miscellaneous deduction per income concept	10,905	8,746	1,225	478	194	103
Nonlimited miscellaneous deduction	10,905	9,301	464	35	28	28
Deduction equivalent of:						
Total credits	10,905	3,450	191	141	86	112
Foreign tax credit	10,905	3,926	329	28	16	29
General business credit	10,905	10,526	66	59	34	44
Refundable tax credits used to offset income tax before credits	10,905	** 10,905	**	0	0	0
Tax preferences excluded from adjusted gross income	10,905	8,917	1,272	253	121	79
Nontaxable Social Security benefits	10,905	8,929	1,966	** 10	**	0
Capital gains taxed at 0 percent	10,905	8,885	449	482	573	515
<b>Expanded income concept</b>						
Total itemized deductions	21,052	8,403	2,711	2,569	1,480	1,015
Interest paid deduction:						
Total	21,052	15,056	4,556	1,120	217	37
Investment interest expense deduction per income concept	21,052	18,278	2,476	163	58	12
Taxes paid deduction	21,052	8,988	8,369	2,344	742	255
Charitable contributions deduction	21,052	10,894	7,236	1,109	587	507
Medical and dental expense deduction	21,052	15,217	3,166	538	307	271
Net casualty or theft loss deduction	21,052	20,807	10	7	** 8	**
Net limited miscellaneous deduction per income concept	21,052	14,853	4,054	1,309	446	184
Nonlimited miscellaneous deduction	21,052	20,129	849	41	10	7
Deduction equivalent of:						
Total credits	21,052	9,082	743	420	304	424
Foreign tax credit	21,052	9,711	844	239	198	334
General business credit	21,052	20,610	124	64	32	43
Refundable tax credits used to offset income tax before credits	21,052	21,049	3	0	0	0
Tax preferences excluded from adjusted gross income	21,052	12,244	1,552	672	619	632
Nontaxable Social Security benefits	21,052	14,907	6,130	11	4	0
Capital gains taxed at 0 percent	21,052	15,239	2,508	1,515	1,164	626

Footnotes at end of table.

**Table 9. Individual Income Tax Returns Without U.S. Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, by Percentage of Income Reduced, Tax Year 2014—Continued**

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentage of income—continued				
	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(7)	(8)	(9)	(10)	(11)
<b>Adjusted gross income concept</b>					
Total itemized deductions	148	198	502	1,354	1,800
Interest paid deduction:					
Total	89	58	59	164	119
Investment interest expense deduction per income concept	59	39	34	134	90
Taxes paid deduction	88	49	33	46	68
Charitable contributions deduction	194	610	0	4	14
Medical and dental expense deduction	82	112	132	255	104
Net casualty or theft loss deduction	**	6	12	64	131
Net limited miscellaneous deduction per income concept	56	31	17	32	23
Nonlimited miscellaneous deduction	14	17	27	440	551
Deduction equivalent of:					
Total credits	196	225	238	4,804	1,459
Foreign tax credit	82	162	170	4,708	1,455
General business credit	78	51	26	17	4
Refundable tax credits used to offset income tax before credits	0	0	0	0	0
Tax preferences excluded from adjusted gross income	34	32	34	60	102
Nontaxable Social Security benefits	0	0	0	0	0
Capital gains taxed at 0 percent	0	0	0	0	0
<b>Expanded income concept</b>					
Total itemized deductions	876	836	859	1,433	872
Interest paid deduction:					
Total	10	10	8	23	12
Investment interest expense deduction per income concept	17	8	5	11	24
Taxes paid deduction	104	69	44	54	84
Charitable contributions deduction	482	178	12	28	17
Medical and dental expense deduction	272	316	294	495	176
Net casualty or theft loss deduction	6	7	20	61	125
Net limited miscellaneous deduction per income concept	87	41	21	31	27
Nonlimited miscellaneous deduction	5	3	3	** 4	**
Deduction equivalent of:					
Total credits	627	1,170	1,662	6,588	32
Foreign tax credit	507	1,109	1,588	6,493	28
General business credit	81	52	29	12	4
Refundable tax credits used to offset income tax before credits	0	0	0	0	0
Tax preferences excluded from adjusted gross income	700	711	766	2,688	467
Nontaxable Social Security benefits	0	0	0	0	0
Capital gains taxed at 0 percent	0	0	0	0	0

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

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

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.

**Table 10. Individual Income Tax Returns Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, by Percentage of Income Reduced, Tax Year 2014**

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Total	No deduction, credit, or tax preference	Number of returns on which income was reduced by percentage of income			
			Under 10 percent	10 percent under 20 percent	20 percent under 30 percent	30 percent under 40 percent
	(1)	(2)	(3)	(4)	(5)	(6)
<b>Adjusted gross income concept</b>						
Total itemized deductions	3,927	45	20	70	53	49
Interest paid deduction:						
Total	3,927	1,398	1,319	443	208	99
Investment interest expense deduction per income concept	3,927	2,662	683	127	73	48
Taxes paid deduction	3,927	131	2,293	755	308	169
Charitable contributions deduction	3,927	846	1,709	267	149	206
Medical and dental expense deduction	3,927	2,748	301	74	74	64
Net casualty or theft loss deduction	3,927	3,704	**	** 7	**	** 4
Net limited miscellaneous deduction per income concept	3,927	2,283	831	382	181	94
Nonlimited miscellaneous deduction	3,927	2,483	341	20	20	24
Deduction equivalent of:						
Total credits	3,927	3,449	78	65	43	42
Foreign tax credit	3,927	3,927	0	0	0	0
General business credit	3,927	3,682	25	37	18	30
Refundable tax credits used to offset income tax before credits	3,927	3,927	0	0	0	0
Tax preferences excluded from adjusted gross income	3,927	2,362	917	222	104	70
Nontaxable Social Security benefits	3,927	2,273	1,655	0	0	0
Capital gains taxed at 0 percent	3,927	2,399	336	371	500	321
<b>Expanded income concept</b>						
Total itemized deductions	9,692	1,008	670	1,442	1,144	863
Interest paid deduction:						
Total	9,692	6,670	2,028	736	164	32
Investment interest expense deduction per income concept	9,692	7,445	1,977	148	53	11
Taxes paid deduction	9,692	1,081	5,371	1,996	668	233
Charitable contributions deduction	9,692	2,074	5,117	890	513	447
Medical and dental expense deduction	9,692	4,276	2,846	497	288	258
Net casualty or theft loss deduction	9,692	9,456	8	5	** 5	**
Net limited miscellaneous deduction per income concept	9,692	4,250	3,459	1,180	421	180
Nonlimited miscellaneous deduction	9,692	8,914	721	30	5	7
Deduction equivalent of:						
Total credits	9,692	8,995	285	79	48	43
Foreign tax credit	9,692	9,692	0	0	0	0
General business credit	9,692	9,440	46	34	14	24
Refundable tax credits used to offset income tax before credits	9,692	** 9,692	**	0	0	0
Tax preferences excluded from adjusted gross income	9,692	1,798	1,042	579	555	574
Nontaxable Social Security benefits	9,692	4,162	5,530	0	0	0
Capital gains taxed at 0 percent	9,692	5,303	1,820	1,230	936	403

Footnotes at end of table.

**Table 10. Individual Income Tax Returns Without Worldwide Income Tax Liability and With Income of \$200,000 or More Under Alternative Concepts: Number of Returns With Itemized Deductions, Credits, and Tax Preferences, by Percentage of Income Reduced, Tax Year 2014—Continued**

[All figures are estimates based on samples]

Income concept and type of deduction, credit, or tax preference	Number of returns on which income was reduced by percentage of income—continued				
	40 percent under 50 percent	50 percent under 60 percent	60 percent under 70 percent	70 percent under 100 percent	100 percent or more
	(7)	(8)	(9)	(10)	(11)
<b>Adjusted gross income concept</b>					
Total itemized deductions	58	113	423	1,299	1,798
Interest paid deduction:					
Total	81	52	57	151	119
Investment interest expense deduction per income concept	55	35	33	122	90
Taxes paid deduction	82	45	31	46	68
Charitable contributions deduction	173	559	0	4	14
Medical and dental expense deduction	76	105	128	253	104
Net casualty or theft loss deduction	**	5	11	64	131
Net limited miscellaneous deduction per income concept	55	30	17	31	23
Nonlimited miscellaneous deduction	10	16	25	439	550
Deduction equivalent of:					
Total credits	75	49	49	75	3
Foreign tax credit	0	0	0	0	0
General business credit	58	37	22	14	3
Refundable tax credits used to offset income tax before credits	0	0	0	0	0
Tax preferences excluded from adjusted gross income	33	30	33	57	99
Nontaxable Social Security benefits	0	0	0	0	0
Capital gains taxed at 0 percent	0	0	0	0	0
<b>Expanded income concept</b>					
Total itemized deductions	761	727	802	1,407	868
Interest paid deduction:					
Total	8	10	8	23	12
Investment interest expense deduction per income concept	15	7	4	10	22
Taxes paid deduction	102	63	41	54	84
Charitable contributions deduction	432	163	12	27	17
Medical and dental expense deduction	267	301	289	494	176
Net casualty or theft loss deduction	6	6	19	61	125
Net limited miscellaneous deduction per income concept	85	41	21	31	25
Nonlimited miscellaneous deduction	5	** 5	**	** 4	**
Deduction equivalent of:					
Total credits	70	48	51	72	3
Foreign tax credit	0	0	0	0	0
General business credit	60	37	23	11	3
Refundable tax credits used to offset income tax before credits	0	0	0	0	0
Tax preferences excluded from adjusted gross income	648	669	721	2,642	464
Nontaxable Social Security benefits	0	0	0	0	0
Capital gains taxed at 0 percent	0	0	0	0	0

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

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

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.



**Table 11. Individual Income Tax Returns With and Without U.S. Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2014**

[All figures are estimates based on samples]

Tax status, effective tax rate	Total			Size of adjusted gross income					
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Under \$50,000 [1]			\$50,000 under \$100,000		
				Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All returns</b>	<b>148,606,578</b>	<b>100.0</b>	<b>7.9</b>	<b>92,661,098</b>	<b>100.0</b>	<b>1.0</b>	<b>32,220,417</b>	<b>100.0</b>	<b>2.0</b>
<b>Returns without U.S. income tax</b>	<b>52,062,499</b>	<b>35.0</b>	<b>1.9</b>	<b>50,408,668</b>	<b>54.4</b>	<b>1.0</b>	<b>1,521,690</b>	<b>4.7</b>	<b>4.8</b>
<b>Effective tax rate:</b>									
0 percent	18,501,983	12.5	5.6	18,106,471	19.5	3.4	303,862	0.9	15.1
Under 0 over -5 percent	7,724,696	5.2	1.0	6,610,452	7.1	0.4	** 1,217,820	** 3.8	** 2.0
-5 over -10 percent	7,098,295	4.8	0.2	6,963,455	7.5	0.1	**	**	**
-10 over -15 percent	3,341,524	2.2	0.1	3,332,303	3.6	0.1	**	**	**
-15 over -20 percent	2,107,950	1.4	0.0	2,107,942	2.3	0.0	8	[2]	0.0
-20 percent and under	13,288,051	8.9	0.0	13,288,045	14.3	0.0	0	0.0	0.0
<b>Returns with U.S. income tax</b>	<b>96,544,079</b>	<b>65.0</b>	<b>8.3</b>	<b>42,252,430</b>	<b>45.6</b>	<b>1.1</b>	<b>30,698,726</b>	<b>95.3</b>	<b>1.9</b>
<b>Effective tax rate:</b>									
Under 5 percent	25,280,622	17.0	4.4	19,400,451	20.9	1.8	5,187,560	16.1	4.3
5 under 10 percent	36,786,772	24.8	2.7	18,945,187	20.4	0.6	13,918,898	43.2	1.6
10 under 15 percent	22,367,980	15.1	4.4	3,838,710	4.1	0.5	9,096,376	28.2	1.4
15 under 20 percent	8,641,666	5.8	10.3	43,417	[2]	44.5	2,488,021	7.7	0.7
20 under 25 percent	2,186,627	1.5	28.4	10,427	[2]	22.1	4,545	[2]	12.4
25 under 30 percent	920,847	0.6	13.0	1,001	[2]	0.0	37	[2]	0.0
30 under 35 percent	284,584	0.2	7.0	2,154	[2]	0.0	994	[2]	64.0
35 under 40 percent	59,350	[2]	3.3	1,002	[2]	0.0	2,024	[2]	0.0
40 under 45 percent	3,992	[2]	3.2	1,005	[2]	0.0	31	[2]	0.0
45 under 50 percent	1,511	[2]	8.5	0	0.0	0.0	3	[2]	0.0
50 under 60 percent	344	[2]	9.0	150	[2]	0.0	** 66	** [2]	** 0.1
60 under 70 percent	1,340	[2]	4.8	1,004	[2]	0.0	**	**	**
70 under 80 percent	208	[2]	6.9	0	0.0	0.0	4	[2]	0.0
80 percent or more	8,238	[2]	[3]	7,924	[2]	0.0	169	[2]	0.0

Footnotes at end of table.

**Table 11. Individual Income Tax Returns With and Without U.S. Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2014—Continued**

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of adjusted gross income—continued						Total		
	\$100,000 under \$200,000			\$200,000 or more			Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates			
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
<b>All returns</b>	<b>17,501,251</b>	<b>100.0</b>	<b>3.5</b>	<b>6,223,813</b>	<b>100.0</b>	<b>18.6</b>	<b>148,606,578</b>	<b>100.0</b>	<b>7.7</b>
<b>Returns without U.S. income tax</b>	<b>121,237</b>	<b>0.7</b>	<b>13.1</b>	<b>10,905</b>	<b>0.2</b>	<b>10.2</b>	<b>52,062,499</b>	<b>35.0</b>	<b>1.5</b>
<b>Effective tax rate:</b>									
0 percent	80,789	0.5	15.7	10,861	0.2	10.3	18,501,983	12.5	5.5
Under 0 over -5 percent	** 40,442	** 0.2	** 7.5	** 44	** [2]	** 4.0	8,129,976	5.5	1.0
-5 over -10 percent	**	**	**	**	**	**	6,859,028	4.6	0.2
-10 over -15 percent	**	**	**	**	**	**	3,448,951	2.3	0.1
-15 over -20 percent	0	0.0	0.0	0	0.0	0.0	2,161,151	1.5	0.0
-20 percent and under	6	[2]	1.6	0	0.0	0.0	12,961,410	8.7	0.0
<b>Returns with U.S. income tax</b>	<b>17,380,014</b>	<b>99.3</b>	<b>3.5</b>	<b>6,212,908</b>	<b>99.8</b>	<b>18.6</b>	<b>96,544,079</b>	<b>65.0</b>	<b>8.2</b>
<b>Effective tax rate:</b>									
Under 5 percent	625,651	3.6	15.1	66,961	1.1	14.4	26,004,860	17.5	4.2
5 under 10 percent	3,816,991	21.8	5.0	105,696	1.7	34.8	35,979,895	24.2	2.9
10 under 15 percent	8,841,118	50.5	2.9	591,775	9.5	27.5	22,400,317	15.1	4.5
15 under 20 percent	3,685,215	21.1	2.2	2,425,013	39.0	18.9	8,676,673	5.8	10.3
20 under 25 percent	402,969	2.3	0.9	1,768,686	28.4	30.4	2,207,942	1.5	27.7
25 under 30 percent	4,798	[2]	1.6	915,011	14.7	13.1	921,591	0.6	12.5
30 under 35 percent	1,396	[2]	31.0	280,040	4.5	7.0	280,718	0.2	6.8
35 under 40 percent	481	[2]	7.6	55,844	0.9	3.3	55,475	[2]	3.1
40 under 45 percent	39	[2]	4.3	2,917	[2]	3.3	3,694	[2]	2.8
45 under 50 percent	1,014	[2]	0.0	494	[2]	13.2	74	[2]	15.7
50 under 60 percent	** 305	** [2]	** 6.0	125	[2]	9.0	2,523	[2]	7.0
60 under 70 percent	**	**	**	34	[2]	4.6	1,055	[2]	3.7
70 under 80 percent	3	[2]	0.5	200	[2]	6.9	1,021	[2]	6.9
80 percent or more	34	[2]	1.0	111	[2]	7.0	8,240	[2]	0.0

Footnotes at end of table.

**Table 11. Individual Income Tax Returns With and Without U.S. Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2014—Continued**

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of expanded income					
	Under \$50,000 [1]			\$50,000 under \$100,000		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(19)	(20)	(21)	(22)	(23)	(24)
<b>All returns</b>	<b>90,294,751</b>	<b>100.0</b>	<b>0.8</b>	<b>34,521,485</b>	<b>100.0</b>	<b>1.9</b>
<b>Returns without U.S. income tax</b>	<b>49,757,747</b>	<b>55.1</b>	<b>0.7</b>	<b>2,114,710</b>	<b>6.1</b>	<b>3.9</b>
<b>Effective tax rate:</b>						
0 percent	17,442,759	19.3	3.9	912,497	2.6	6.3
Under 0 over -5 percent	7,035,523	7.8	0.4	** 1,202,201	** 3.5	** 2.1
-5 over -10 percent	6,722,532	7.4	0.1	**	**	**
-10 over -15 percent	3,434,386	3.8	0.1	**	**	**
-15 over -20 percent	2,161,143	2.4	0.0	8	[2]	0.0
-20 percent and under	12,961,404	14.4	0.0	3	[2]	6.4
<b>Returns with U.S. income tax</b>	<b>40,537,004</b>	<b>44.9</b>	<b>0.8</b>	<b>32,406,775</b>	<b>93.9</b>	<b>1.8</b>
<b>Effective tax rate:</b>						
Under 5 percent	18,402,423	20.4	1.3	6,901,908	20.0	3.7
5 under 10 percent	17,991,450	19.9	0.4	14,060,752	40.7	1.5
10 under 15 percent	4,072,276	4.5	0.5	8,849,163	25.6	1.2
15 under 20 percent	41,995	[2]	39.4	2,581,087	7.5	0.5
20 under 25 percent	11,408	[2]	19.5	7,841	[2]	8.6
25 under 30 percent	1,000	[2]	0.0	2,970	[2]	0.0
30 under 35 percent	2,102	[2]	0.1	1,974	[2]	35.1
35 under 40 percent	1,004	[2]	0.0	1,028	[2]	0.0
40 under 45 percent	1,006	[2]	0.0	0	0.0	0.0
45 under 50 percent	0	0.0	0.0	12	[2]	0.0
50 under 60 percent	2,168	[2]	0.4	8	[2]	0.0
60 under 70 percent	** 2,010	** [2]	** 0.0	** 8	** [2]	** 0.7
70 under 80 percent	**	**	**	**	**	**
80 percent or more	8,161	[2]	0.0	22	[2]	44.1

Footnotes at end of table.

**Table 11. Individual Income Tax Returns With and Without U.S. Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2014—Continued**

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of expanded income—continued					
	\$100,000 under \$200,000			\$200,000 or more		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(25)	(26)	(27)	(28)	(29)	(30)
<b>All returns</b>	<b>17,510,914</b>	<b>100.0</b>	<b>3.5</b>	<b>6,279,428</b>	<b>100.0</b>	<b>18.5</b>
<b>Returns without U.S. income tax</b>	<b>168,990</b>	<b>1.0</b>	<b>10.2</b>	<b>21,052</b>	<b>0.3</b>	<b>7.8</b>
<b>Effective tax rate:</b>						
0 percent	126,288	0.7	11.2	20,439	0.3	7.9
Under 0 over -5 percent	39,728	0.2	7.7	** 613	** [2]	** 15.7
-5 over -10 percent	2,971	[2]	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	3	[2]	0.7	0	0.0	0.0
<b>Returns with U.S. income tax</b>	<b>17,341,924</b>	<b>99.0</b>	<b>3.5</b>	<b>6,258,376</b>	<b>99.7</b>	<b>18.5</b>
<b>Effective tax rate:</b>						
Under 5 percent	610,729	3.5	17.1	89,800	1.4	15.9
5 under 10 percent	3,783,013	21.6	5.3	144,679	2.3	33.4
10 under 15 percent	8,852,904	50.6	2.8	625,974	10.0	28.1
15 under 20 percent	3,665,822	20.9	1.8	2,387,769	38.0	19.3
20 under 25 percent	423,331	2.4	0.8	1,765,362	28.1	29.7
25 under 30 percent	3,801	[2]	1.5	913,821	14.6	12.5
30 under 35 percent	1,991	[2]	20.5	274,651	4.4	6.8
35 under 40 percent	278	[2]	14.5	53,165	0.8	3.1
40 under 45 percent	10	[2]	24.1	2,678	[2]	2.8
45 under 50 percent	13	[2]	26.5	48	[2]	15.7
50 under 60 percent	5	[2]	0.0	341	[2]	7.3
60 under 70 percent	0	0.0	0.0	35	[2]	4.1
70 under 80 percent	9	[2]	1.3	14	[2]	11.0
80 percent or more	17	[2]	1.6	40	[2]	7.0

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

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

[2] Less than 0.05 percent.

[3] Percentage not computed.

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

SOURCE: IRS, Statistics of Income Division, High-Income Tax Returns, June 2017.

**Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2014**

[All figures are estimates based on samples]

Tax status, effective tax rate	Total			Size of adjusted gross income					
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Under \$50,000 [1]			\$50,000 under \$100,000		
				Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All returns</b>	<b>148,606,578</b>	<b>100.0</b>	<b>7.9</b>	<b>92,661,098</b>	<b>100.0</b>	<b>1.0</b>	<b>32,220,417</b>	<b>100.0</b>	<b>2.0</b>
<b>Returns without worldwide income tax</b>	<b>51,852,405</b>	<b>34.9</b>	<b>1.7</b>	<b>50,270,713</b>	<b>54.3</b>	<b>1.0</b>	<b>1,485,429</b>	<b>4.6</b>	<b>4.3</b>
<b>Effective tax rate:</b>									
0 percent	18,310,317	12.3	2.7	17,981,531	19.4	1.6	272,655	0.8	14.2
Under 0 over -5 percent	7,711,652	5.2	1.0	6,602,822	7.1	0.4	** 1,212,766	** 3.8	** 1.9
-5 over -10 percent	7,093,993	4.8	0.2	6,959,153	7.5	0.1	**	**	**
-10 over -15 percent	3,341,485	2.2	0.1	3,332,263	3.6	0.1	**	**	**
-15 over -20 percent	2,107,000	1.4	0.0	2,106,992	2.3	0.0	8	[2]	0.0
-20 percent and under	13,287,959	8.9	0.0	13,287,953	14.3	0.0	0	0.0	0.0
<b>Returns with worldwide income tax</b>	<b>96,754,173</b>	<b>65.1</b>	<b>8.3</b>	<b>42,390,385</b>	<b>45.7</b>	<b>1.1</b>	<b>30,734,988</b>	<b>95.4</b>	<b>1.9</b>
<b>Effective tax rate:</b>									
Under 5 percent	25,296,730	17.0	4.1	19,480,637	21.0	1.9	5,180,776	16.1	4.3
5 under 10 percent	36,776,351	24.7	2.6	18,968,533	20.5	0.5	13,927,240	43.2	1.7
10 under 15 percent	22,382,372	15.1	4.2	3,854,195	4.2	0.5	9,106,635	28.3	1.4
15 under 20 percent	8,682,328	5.8	10.0	47,265	0.1	40.8	2,499,939	7.8	0.7
20 under 25 percent	2,219,021	1.5	28.9	10,929	[2]	23.2	6,356	[2]	9.7
25 under 30 percent	952,772	0.6	13.9	1,004	[2]	0.0	669	[2]	6.8
30 under 35 percent	310,220	0.2	7.3	2,160	[2]	0.0	1,620	[2]	39.7
35 under 40 percent	79,412	0.1	3.5	1,646	[2]	3.7	3,041	[2]	0.1
40 under 45 percent	16,391	[2]	4.0	2,000	[2]	0.0	1,803	[2]	0.4
45 under 50 percent	5,002	[2]	5.7	15	[2]	3.1	670	[2]	0.6
50 under 60 percent	8,726	[2]	7.3	2,596	[2]	7.9	2,577	[2]	2.5
60 under 70 percent	3,708	[2]	7.9	2,005	[2]	13.3	388	[2]	0.4
70 under 80 percent	2,658	[2]	9.2	1,010	[2]	9.0	1,381	[2]	16.7
80 percent or more	18,482	[2]	[3]	16,390	[2]	0.0	1,893	[2]	1.6

Footnotes at end of table.

**Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2014—Continued**

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of adjusted gross income—continued						Total		
	\$100,000 under \$200,000			\$200,000 or more			Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates			
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
<b>All returns</b>	<b>17,501,251</b>	<b>100.0</b>	<b>3.5</b>	<b>6,223,813</b>	<b>100.0</b>	<b>18.6</b>	<b>148,606,578</b>	<b>100.0</b>	<b>7.7</b>
<b>Returns without worldwide income tax</b>	<b>92,336</b>	<b>0.5</b>	<b>13.7</b>	<b>3,927</b>	<b>0.1</b>	<b>5.6</b>	<b>51,852,405</b>	<b>34.9</b>	<b>1.3</b>
<b>Effective tax rate:</b>									
0 percent	52,233	0.3	18.0	3,898	0.1	5.6	18,310,317	12.3	4.9
Under 0 over -5 percent	** 40,097	** 0.2	** 7.6	** 29	** [2]	** 6.2	8,115,943	5.5	0.9
-5 over -10 percent	**	**	**	**	**	**	6,854,724	4.6	0.2
-10 over -15 percent	**	**	**	**	**	**	3,449,901	2.3	0.1
-15 over -20 percent	0	0.0	0.0	0	0.0	0.0	2,160,201	1.5	0.0
-20 percent and under	6	[2]	1.6	0	0.0	0.0	12,961,318	8.7	0.0
<b>Returns with worldwide income tax</b>	<b>17,408,915</b>	<b>99.5</b>	<b>3.5</b>	<b>6,219,886</b>	<b>99.9</b>	<b>18.6</b>	<b>96,754,173</b>	<b>65.1</b>	<b>8.2</b>
<b>Effective tax rate:</b>									
Under 5 percent	604,947	3.5	15.5	30,371	0.5	14.1	26,020,642	17.5	4.0
5 under 10 percent	3,792,095	21.7	4.9	88,483	1.4	38.8	35,962,861	24.2	2.7
10 under 15 percent	8,853,292	50.6	3.0	568,250	9.1	27.3	22,424,560	15.1	4.4
15 under 20 percent	3,714,488	21.2	2.2	2,420,635	38.9	18.6	8,735,140	5.9	10.1
20 under 25 percent	422,120	2.4	1.0	1,779,615	28.6	31.0	2,250,781	1.5	28.1
25 under 30 percent	6,785	[2]	1.5	944,315	15.2	13.9	965,109	0.6	13.3
30 under 35 percent	3,796	[2]	12.6	302,644	4.9	7.3	311,364	0.2	7.0
35 under 40 percent	2,849	[2]	9.4	71,875	1.2	3.5	66,092	[2]	3.4
40 under 45 percent	2,569	[2]	5.6	10,019	0.2	4.0	4,205	[2]	3.8
45 under 50 percent	2,048	[2]	0.5	2,269	[2]	7.8	130	[2]	18.6
50 under 60 percent	2,533	[2]	8.6	1,021	[2]	7.7	2,565	[2]	6.3
60 under 70 percent	1,259	[2]	2.1	56	[2]	15.0	1,065	[2]	17.2
70 under 80 percent	58	[2]	1.7	209	[2]	6.8	1,027	[2]	7.2
80 percent or more	76	[2]	1.3	123	[2]	7.0	8,631	[2]	0.0

Footnotes at end of table.



**Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2014—Continued**

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of expanded income					
	Under \$50,000 [1]			\$50,000 under \$100,000		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(19)	(20)	(21)	(22)	(23)	(24)
<b>All returns</b>	<b>90,294,751</b>	<b>100.0</b>	<b>0.8</b>	<b>34,521,485</b>	<b>100.0</b>	<b>1.9</b>
<b>Returns without worldwide income tax</b>	<b>49,638,699</b>	<b>55.0</b>	<b>0.7</b>	<b>2,073,565</b>	<b>6.0</b>	<b>3.6</b>
<b>Effective tax rate:</b>						
0 percent	17,334,746	19.2	3.7	876,268	2.5	5.7
Under 0 over -5 percent	7,028,882	7.8	0.3	** 1,197,286	** 3.5	** 3.5
-5 over -10 percent	6,718,229	7.4	0.1	**	**	**
-10 over -15 percent	3,435,336	3.8	0.1	**	**	**
-15 over -20 percent	2,160,193	2.4	0.0	8	[2]	0.0
-20 percent and under	12,961,312	14.4	0.0	3	[2]	6.4
<b>Returns with worldwide income tax</b>	<b>40,656,052</b>	<b>45.0</b>	<b>0.8</b>	<b>32,447,920</b>	<b>94.0</b>	<b>1.8</b>
<b>Effective tax rate:</b>						
Under 5 percent	18,481,365	20.5	1.4	6,907,897	20.0	3.8
5 under 10 percent	18,009,549	19.9	0.4	14,063,583	40.7	1.5
10 under 15 percent	4,091,490	4.5	0.5	8,866,378	25.7	1.3
15 under 20 percent	43,442	[2]	39.7	2,595,201	7.5	0.5
20 under 25 percent	11,408	[2]	19.5	8,831	[2]	7.8
25 under 30 percent	1,961	[2]	0.0	2,970	[2]	0.0
30 under 35 percent	2,102	[2]	0.1	1,974	[2]	35.1
35 under 40 percent	1,004	[2]	0.0	1,034	[2]	0.0
40 under 45 percent	1,006	[2]	0.0	0	0.0	0.0
45 under 50 percent	0	0.0	0.0	12	[2]	0.0
50 under 60 percent	2,168	[2]	0.4	** 17	** [2]	** 0.4
60 under 70 percent	1,013	[2]	0.0	**	**	**
70 under 80 percent	997	[2]	0.0	**	**	**
80 percent or more	8,546	[2]	0.0	22	[2]	44.1

Footnotes at end of table.

**Table 12. Individual Income Tax Returns With and Without Worldwide Income Tax Liability: Number and Percentage of Returns by Effective Tax Rate, and by Size of Income Under Alternative Concepts, Tax Year 2014—Continued**

[All figures are estimates based on samples]

Tax status, effective tax rate	Size of expanded income—continued					
	\$100,000 under \$200,000			\$200,000 or more		
	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates	Number of returns	Percentage of total	Percentage of income subject to preferential tax rates
	(25)	(26)	(27)	(28)	(29)	(30)
<b>All returns</b>	<b>17,510,914</b>	<b>100.0</b>	<b>3.5</b>	<b>6,279,428</b>	<b>100.0</b>	<b>18.5</b>
<b>Returns without worldwide income tax</b>	<b>130,449</b>	<b>0.7</b>	<b>10.3</b>	<b>9,692</b>	<b>0.2</b>	<b>5.4</b>
<b>Effective tax rate:</b>						
0 percent	90,193	0.5	11.4	9,110	0.1	5.4
Under 0 over -5 percent	37,284	0.2	8.2	** 582	** [2]	** 4.8
-5 over -10 percent	2,970	[2]	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	3	[2]	0.7	0	0.0	0.0
<b>Returns with worldwide income tax</b>	<b>17,380,465</b>	<b>99.3</b>	<b>3.5</b>	<b>6,269,736</b>	<b>99.8</b>	<b>18.5</b>
<b>Effective tax rate:</b>						
Under 5 percent	587,667	3.4	18.0	43,713	0.7	21.5
5 under 10 percent	3,767,101	21.5	5.2	122,628	2.0	37.2
10 under 15 percent	8,865,964	50.6	2.9	600,728	9.6	27.9
15 under 20 percent	3,705,122	21.2	1.9	2,391,375	38.1	19.1
20 under 25 percent	442,168	2.5	0.8	1,788,374	28.5	30.2
25 under 30 percent	8,094	[2]	0.9	952,084	15.2	13.4
30 under 35 percent	3,639	[2]	10.3	303,648	4.8	7.0
35 under 40 percent	645	[2]	7.7	63,409	1.0	3.4
40 under 45 percent	12	[2]	19.6	3,187	0.1	3.8
45 under 50 percent	18	[2]	19.6	100	[2]	18.7
50 under 60 percent	** 17	** [2]	** 0.6	382	[2]	6.6
60 under 70 percent	**	**	**	44	[2]	18.4
70 under 80 percent	**	**	**	20	[2]	11.0
80 percent or more	17	[2]	1.6	46	[2]	6.8

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

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

[2] Less than 0.05 percent.

[3] Percentage not computed.

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

SOURCE: IRS, Statistics of Income Division, Individual High-Income Tax Returns, June 2017.